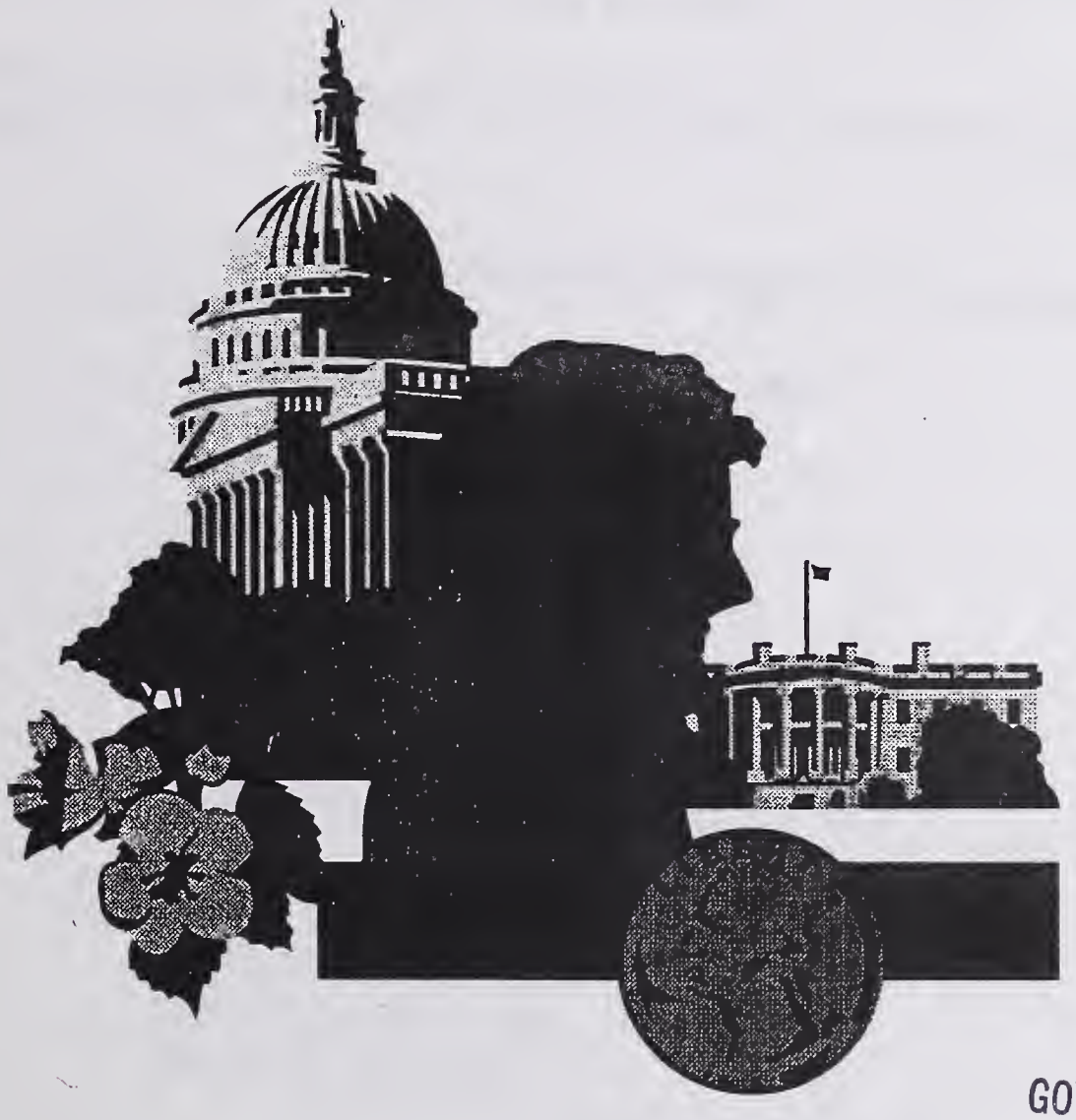
MASS. GC5. W36 : M38

Massachusetts Fiscal Analysis 1988-1998

* UMASS/AMHERST *
312066 0269 6101 1



GOVERNMENT DOCUMENTS
COLLECTION

NOV 12 1999

University of Massachusetts
Depository Copy

March 10, 1997

Massachusetts Fiscal Analysis - 1988-1998

This initial presentation provides comparative analyses of state revenues and spending from 1988-1998 through graphs and charts of state budgets for those years. The various analyses depict trends that have developed over this time. A more in-depth study of all or some of the sections may be necessary after you have had the opportunity to study this overview.

There are a few background points that might be helpful for processing the report.

- FY 1989-1992. Both the Massachusetts and the National economy were erratic.
  - *Revenues increased 4.4% in 1989
  - *Increased only .3% in 1990
  - *Rebounded to 11.5% in 1991
  - *Bottomed out again in 1992.

- The State responded by:
  - *Reducing expenditures
  - *Raising the income tax from 5% to 5.95%
  - *Borrowing (Bonding) in 1989 and 1990 to cover large deficits

- Increases in expenditures
  - *4.3% from 1988-1991
  - *3.7% from 1992-1993
  - *5% from 1994-1998

- Revenues also increased 5.2% from 1994-1998.

-OVER-

• Only areas not adversely affected during the economic slowdown were: Corrections, Medicaid, Cash Assistance, Debt Service, Employee Benefits and the MBTA.

• K-12, Higher Ed, Non Ed Local Aid and Environmental Affairs were the hardest hit by the budget cuts resulting from the slowdown.

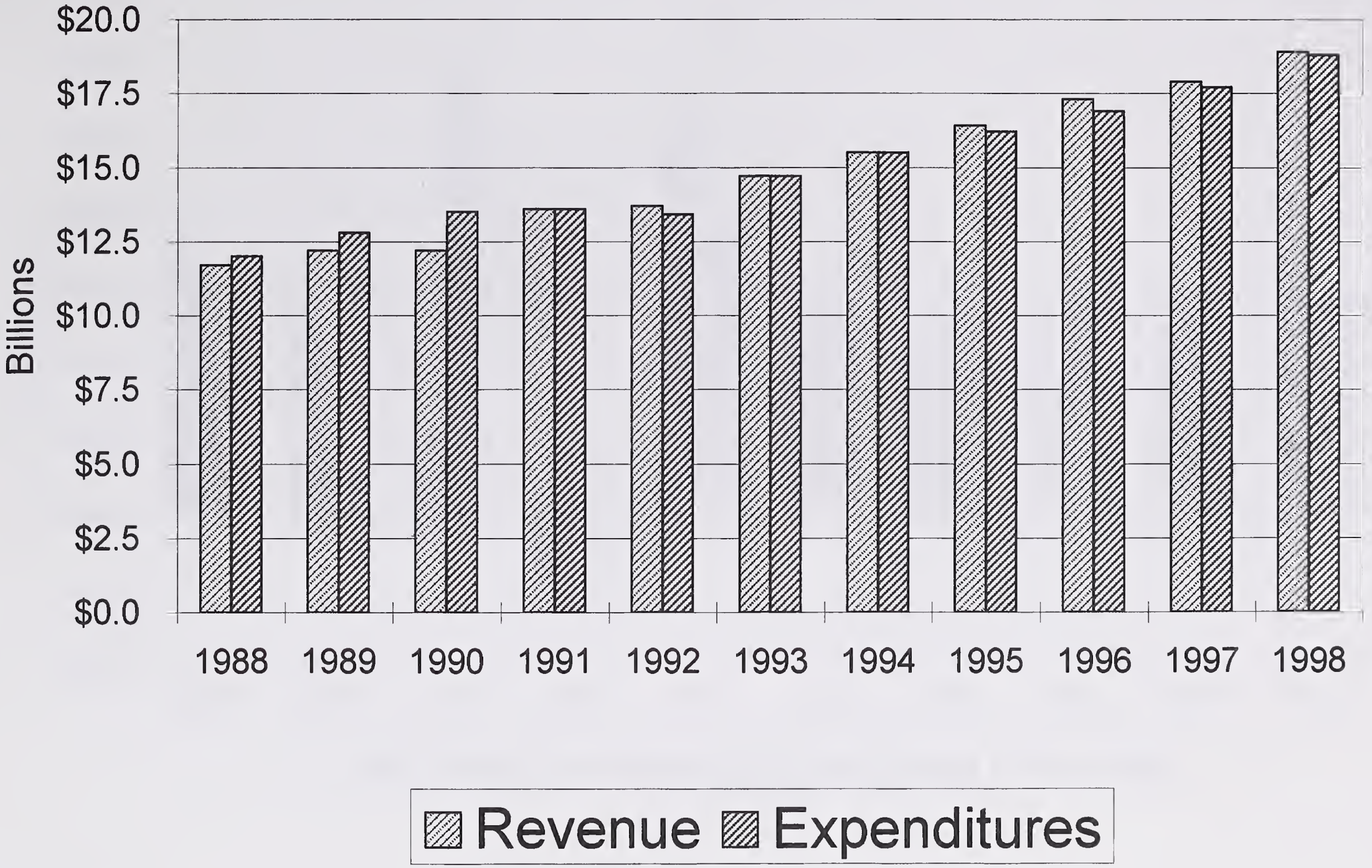
• Since 1992, the areas of greatest growth have been K-12 education, Higher Education, Environmental Affairs, Corrections, Judiciary, Police, District Attorneys, Services to Children, and Day Care.

• Only area to actually decrease has been Cash Assistance

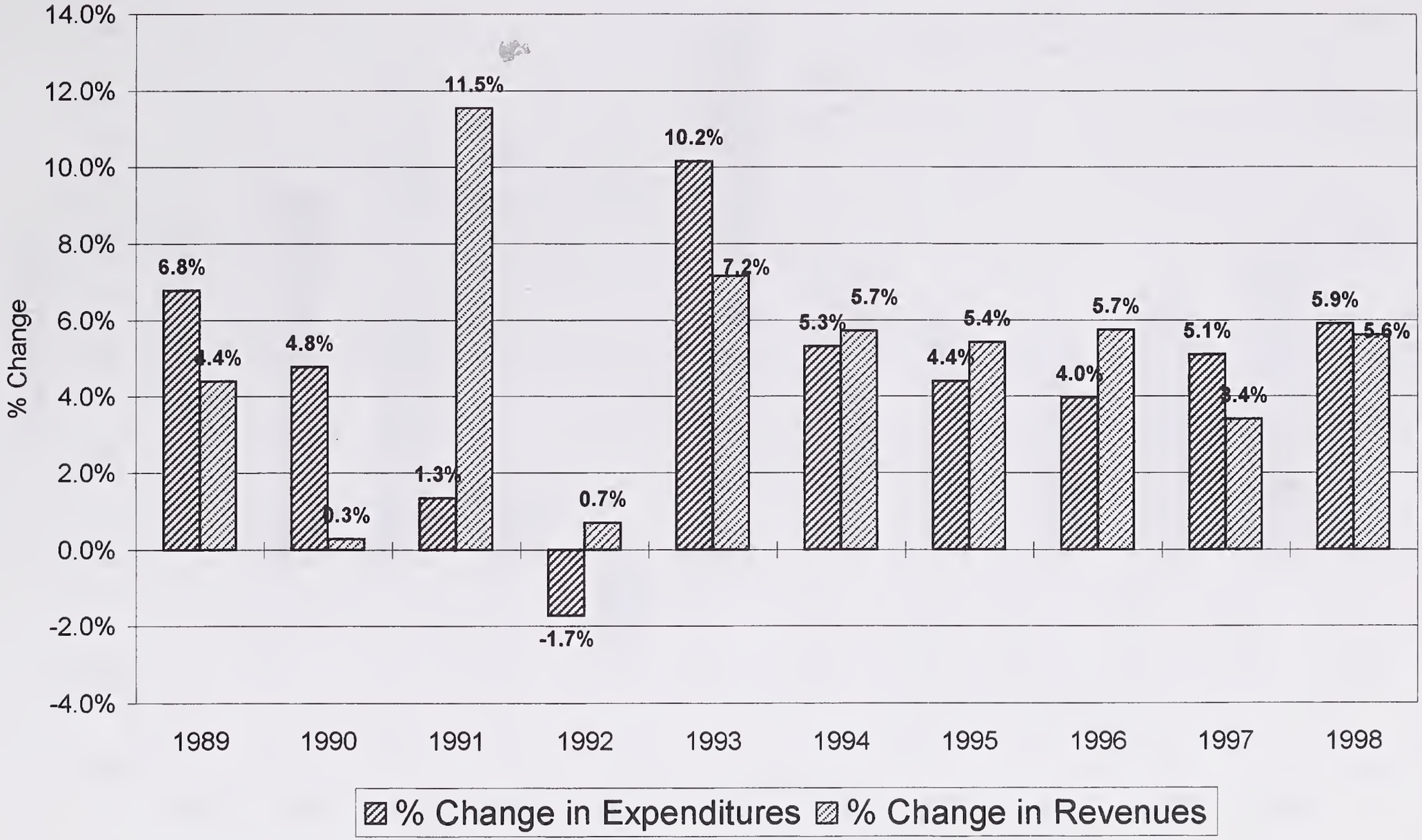
• Medicaid, Employee Benefits, MBTA and Debt Service have stabilized.

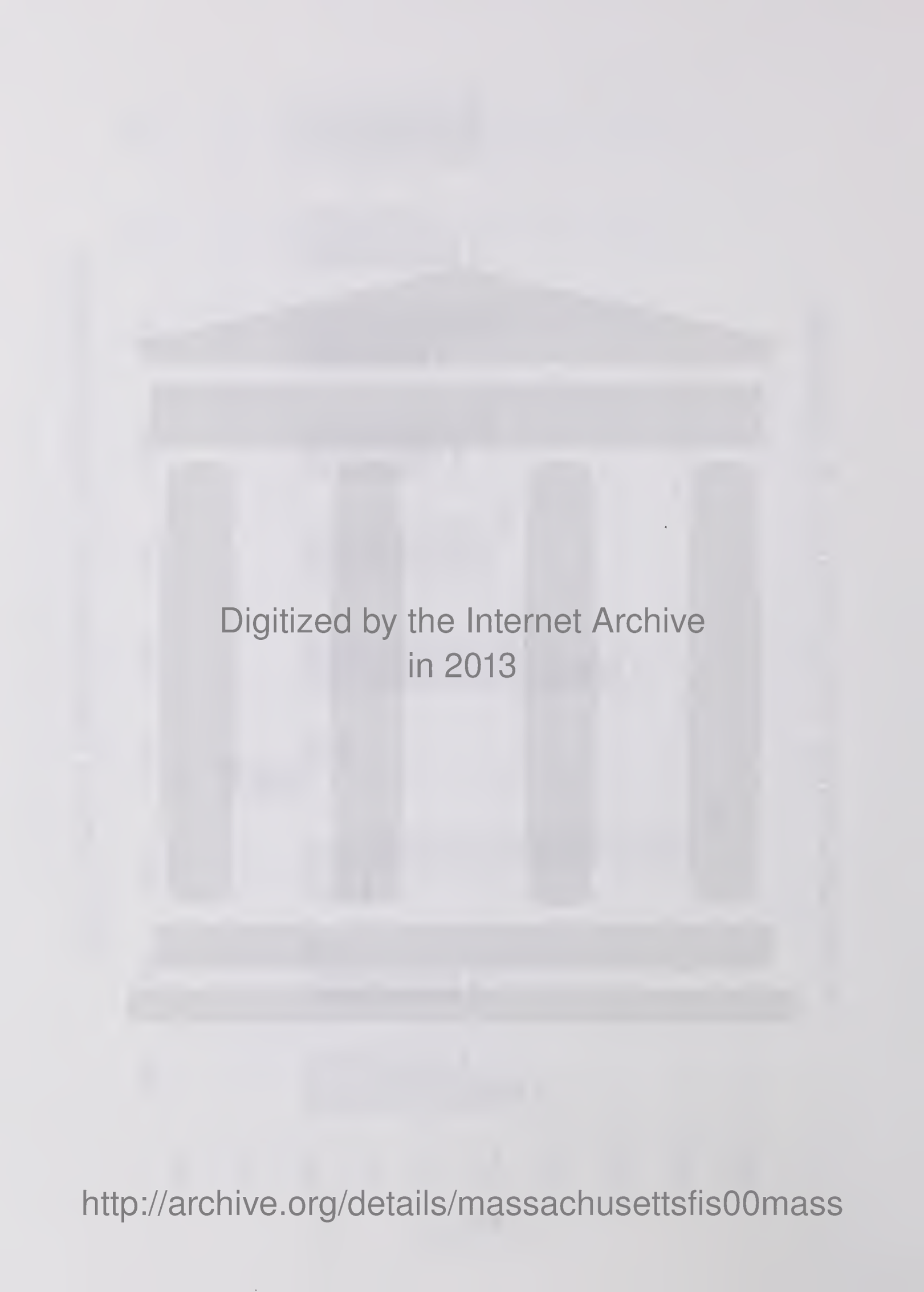
Data Sources: Department of Revenue
Massachusetts Taxpayers Association
Massachusetts Office of the Comptroller
House 1, Governor's Budget

Expenditures & Revenue



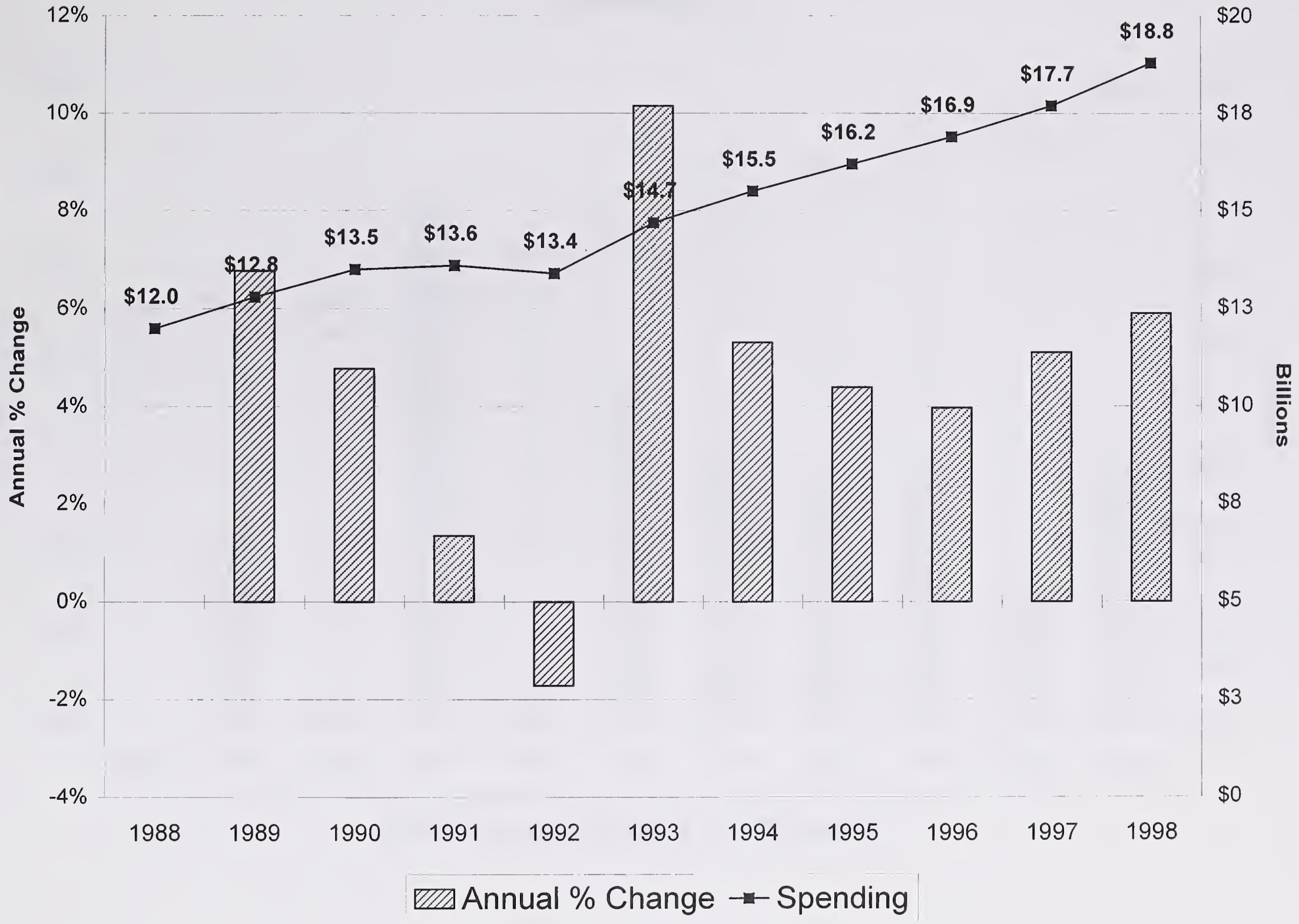
% Annual Change of Expenditures & Revenues

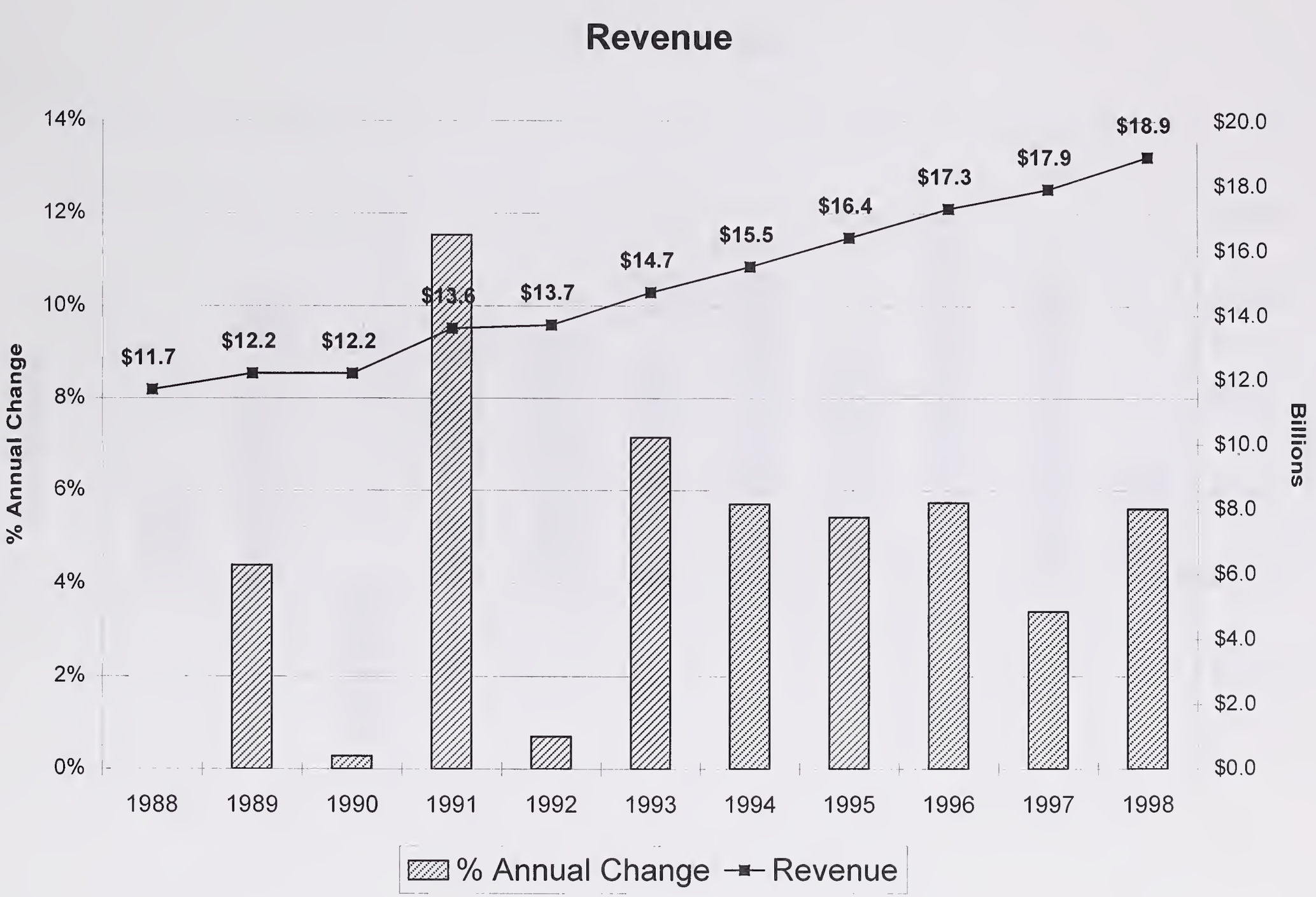



Digitized by the Internet Archive
in 2013

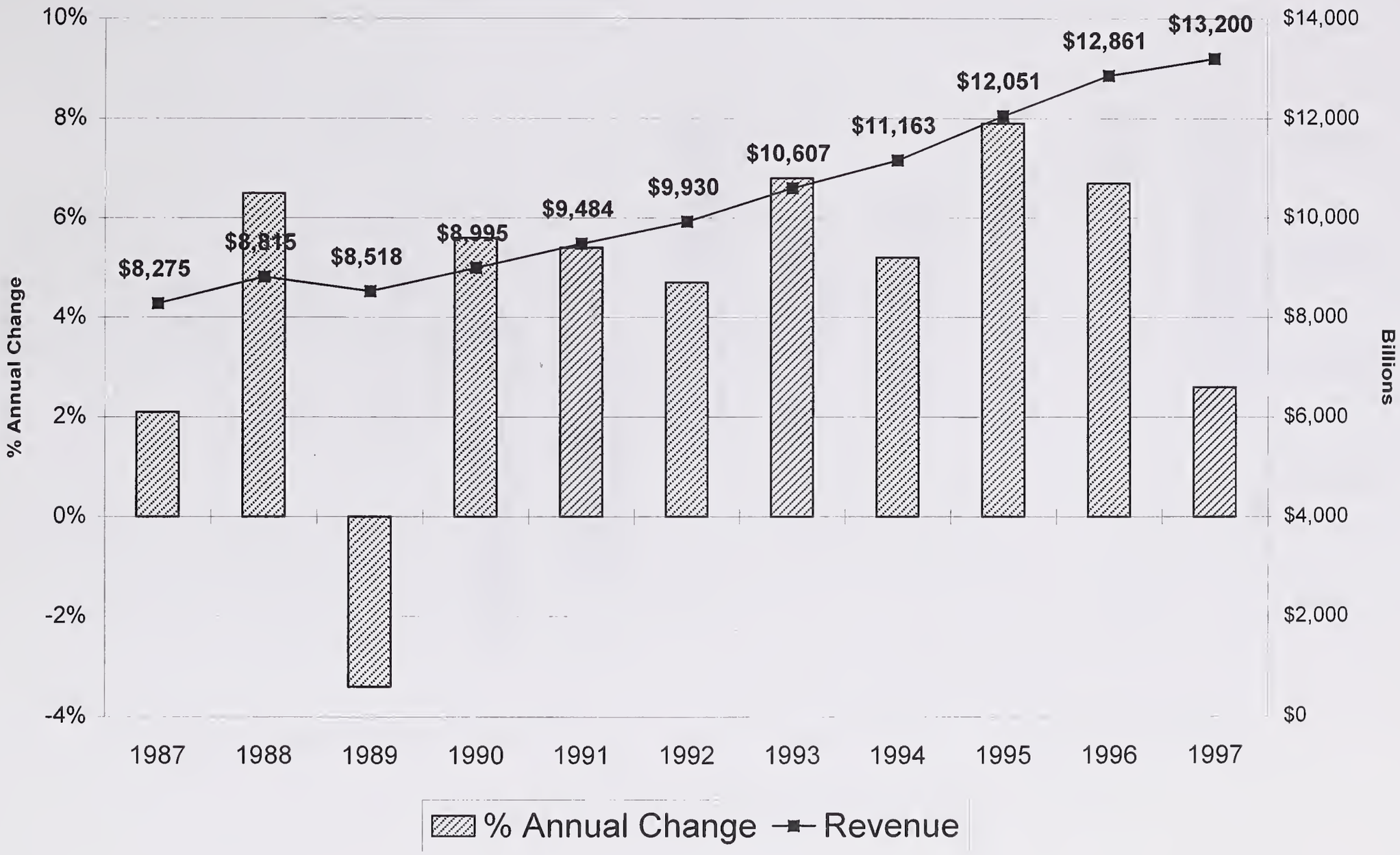
http://archive.org/details/massachusettsfis00mass

Expenditures

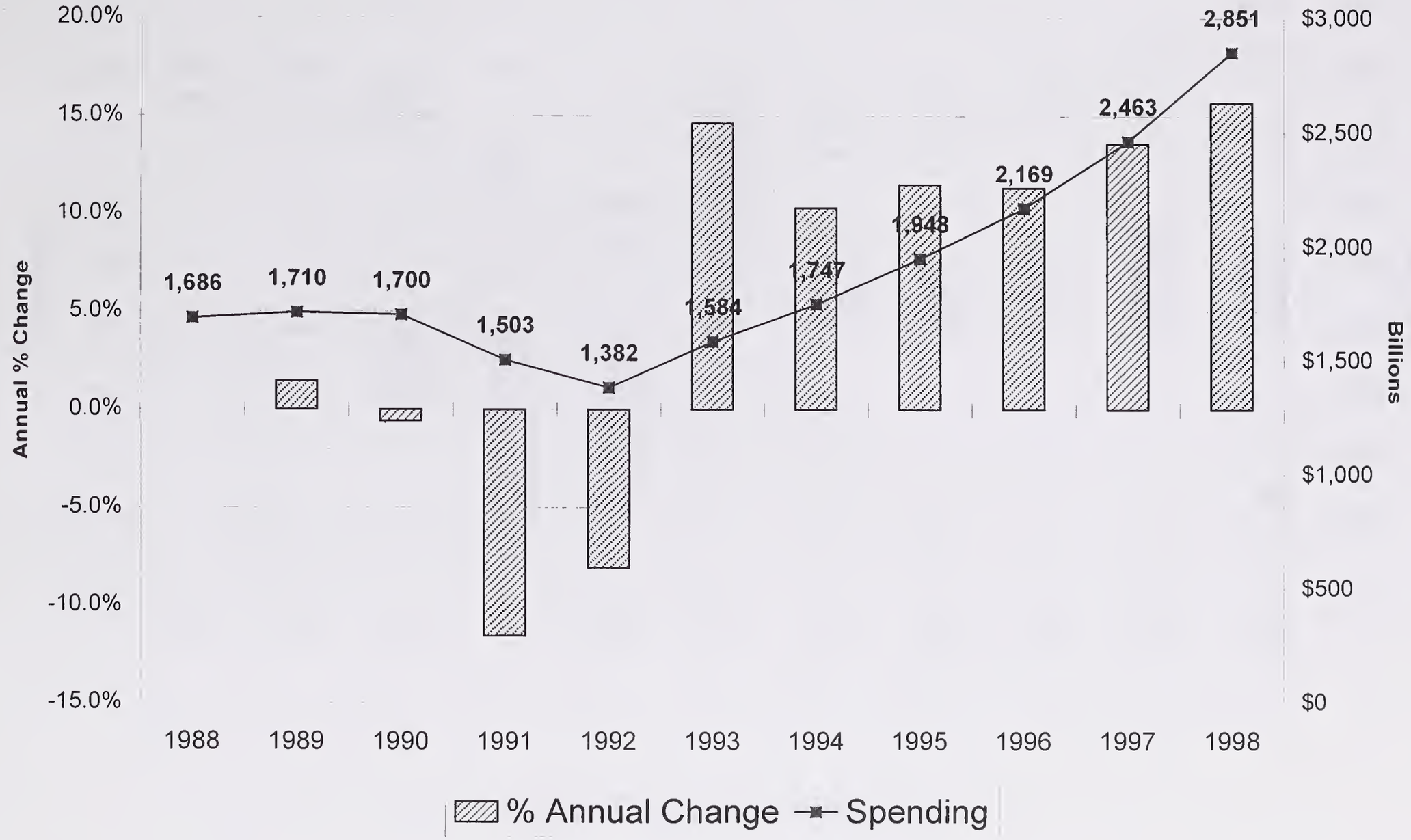



Revenue
% Annual Change
Billions
14%
12%
10%
8%
6%
4%
2%
0%
$20.0
$18.0
$16.0
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
$11.7
$12.2
$12.2
$13.6
$13.7
$14.7
$15.5
$16.4
$17.3
$17.9
$18.9
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual Change
Revenue

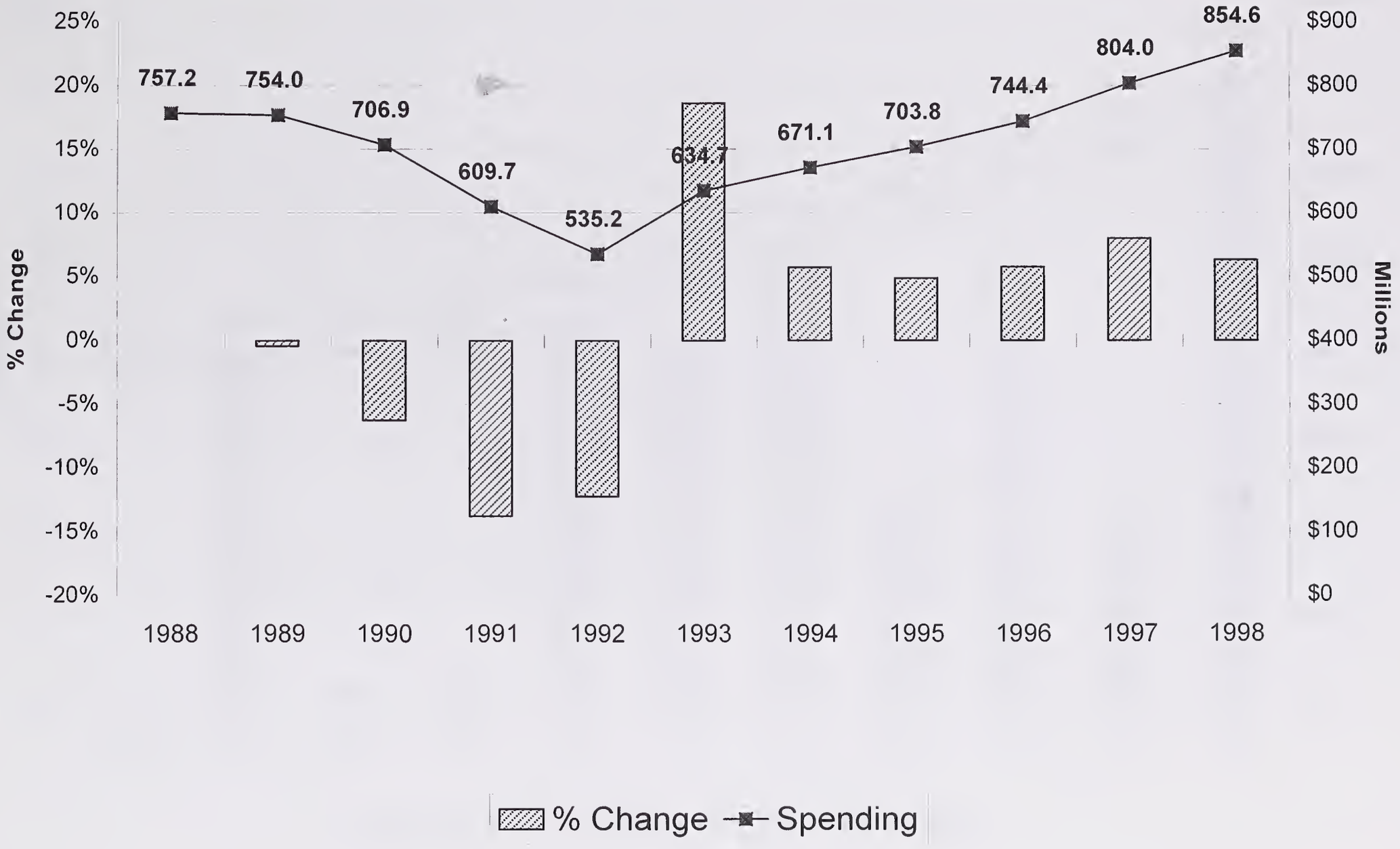
Tax Revenue


10%
8%
6%
4%
2%
0%
-2%
-4%
% Annual Change
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
Billions
$8,275
$8,815
$8,518
$8,995
$9,484
$9,930
$10,607
$11,163
$12,051
$12,861
$13,200
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
% Annual Change
Revenue

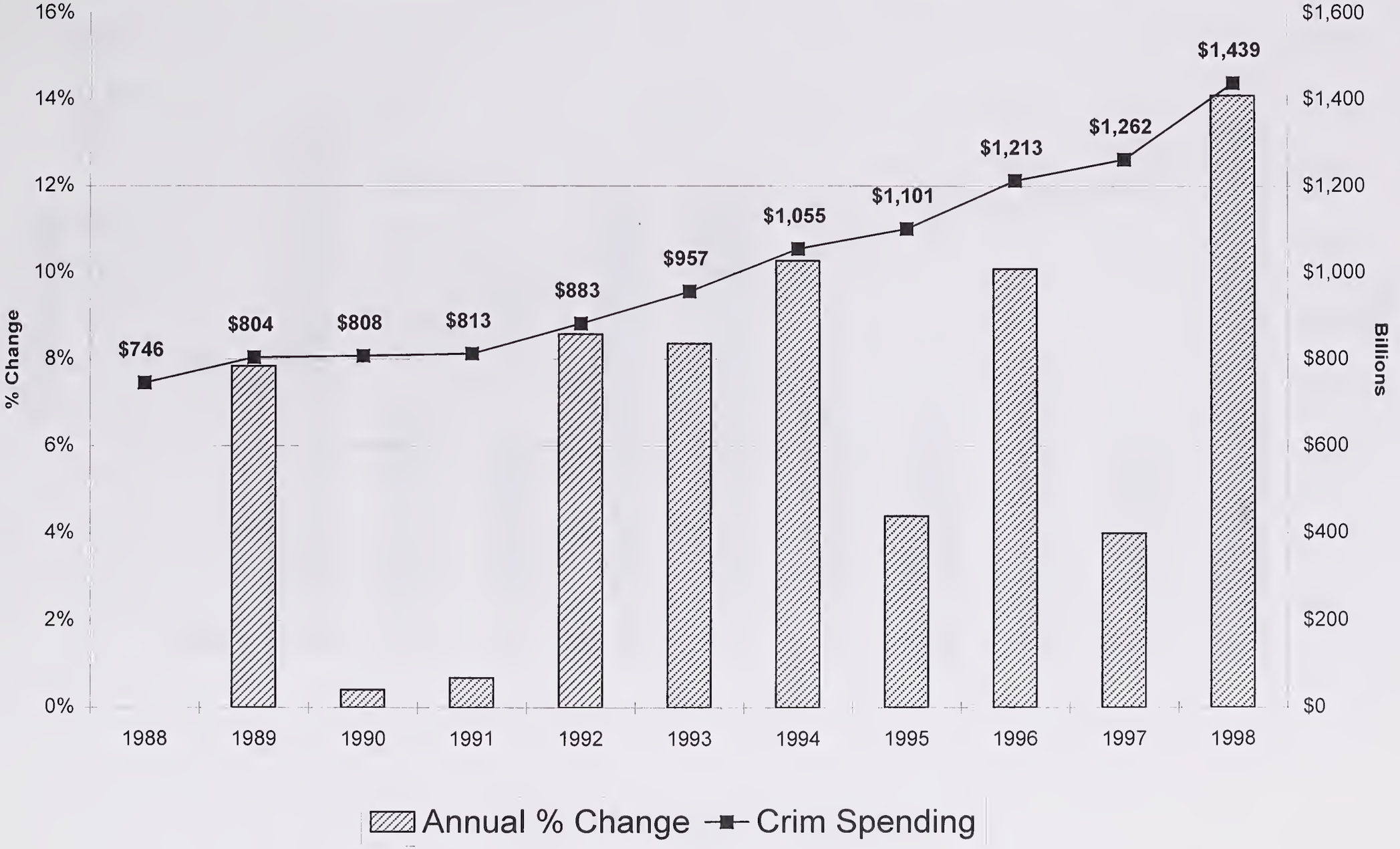
K-12 Education



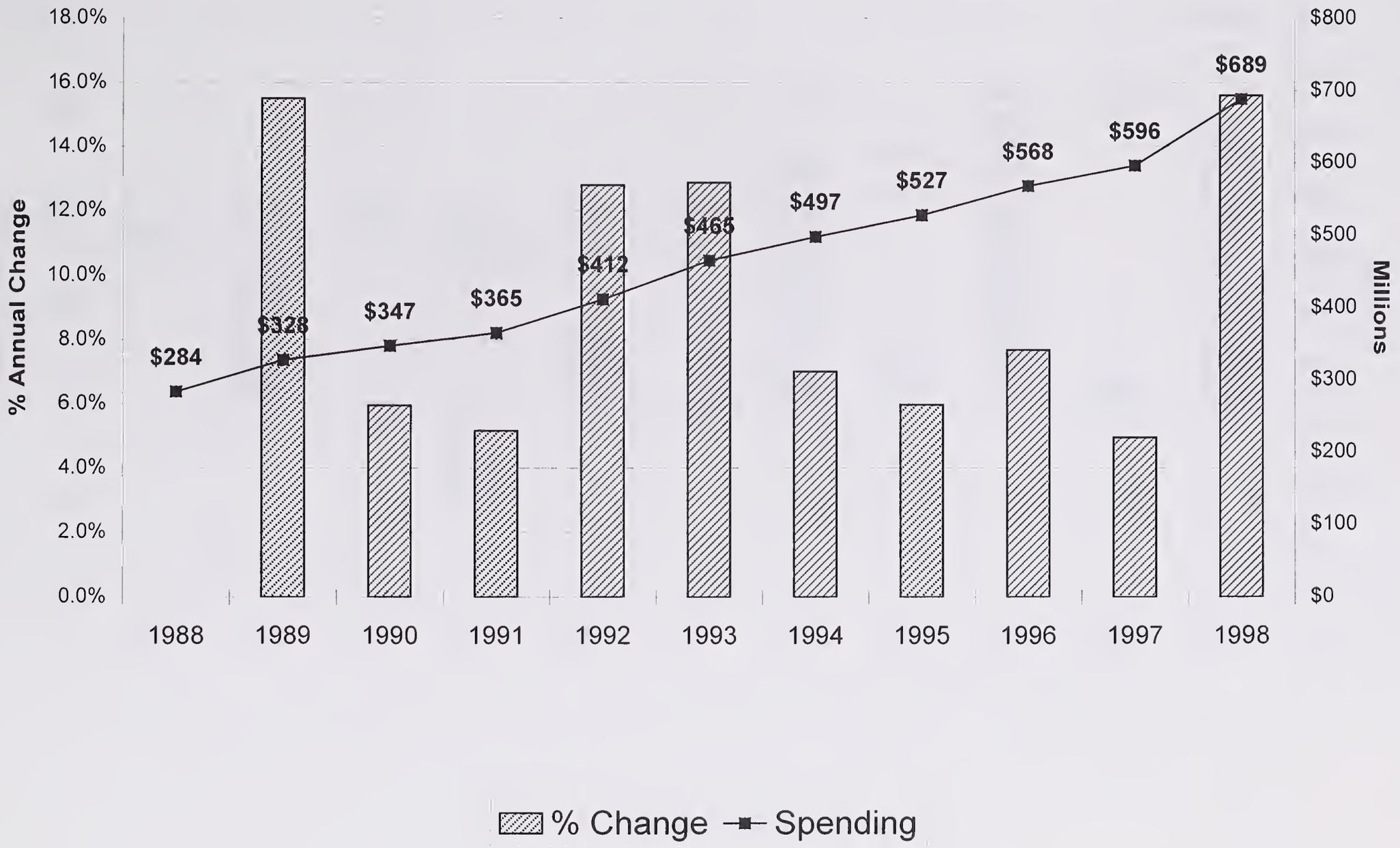
HIGHER EDUCATION



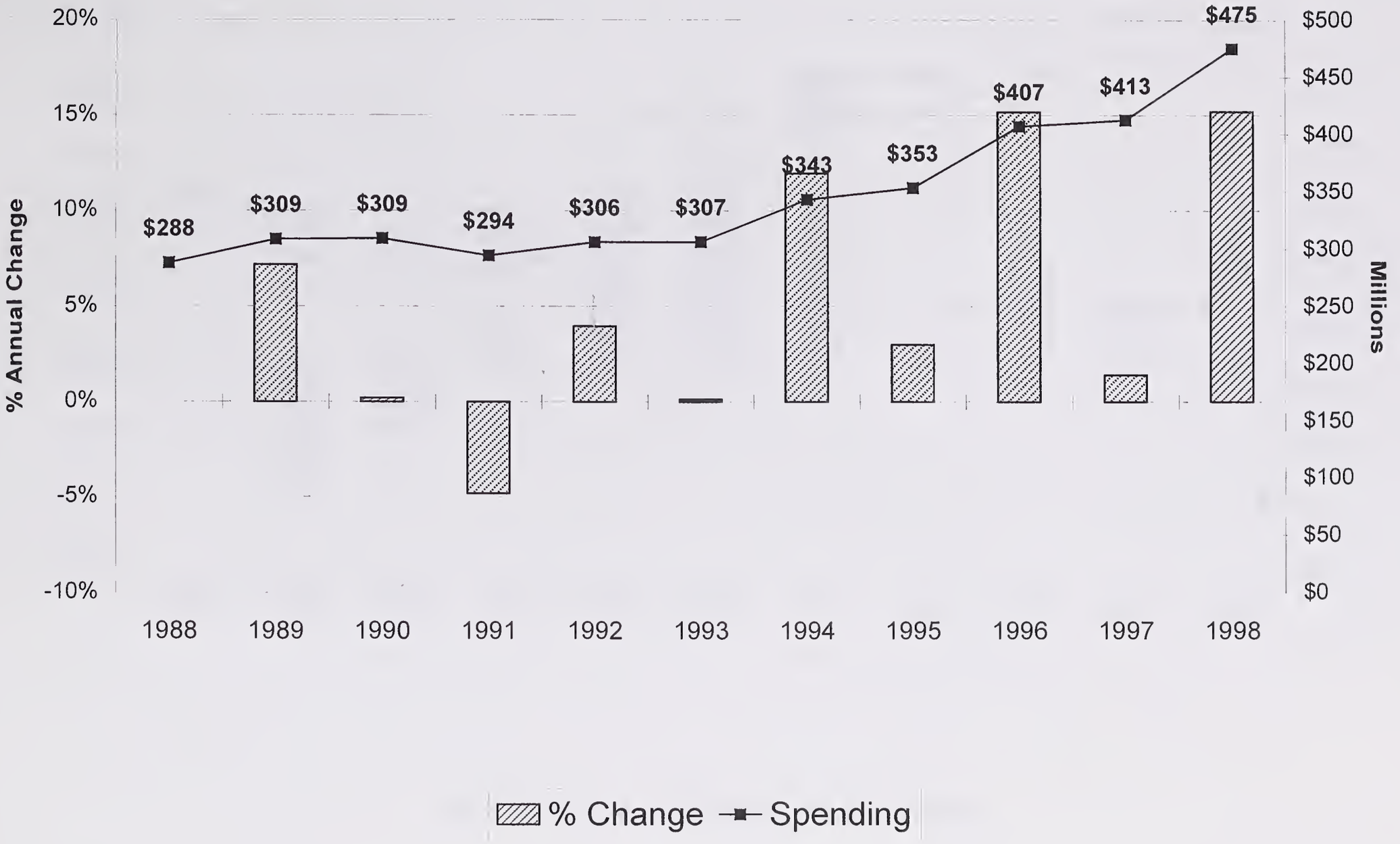
Criminal Justice (Police, Corrections, Judiciary, DA & AG)



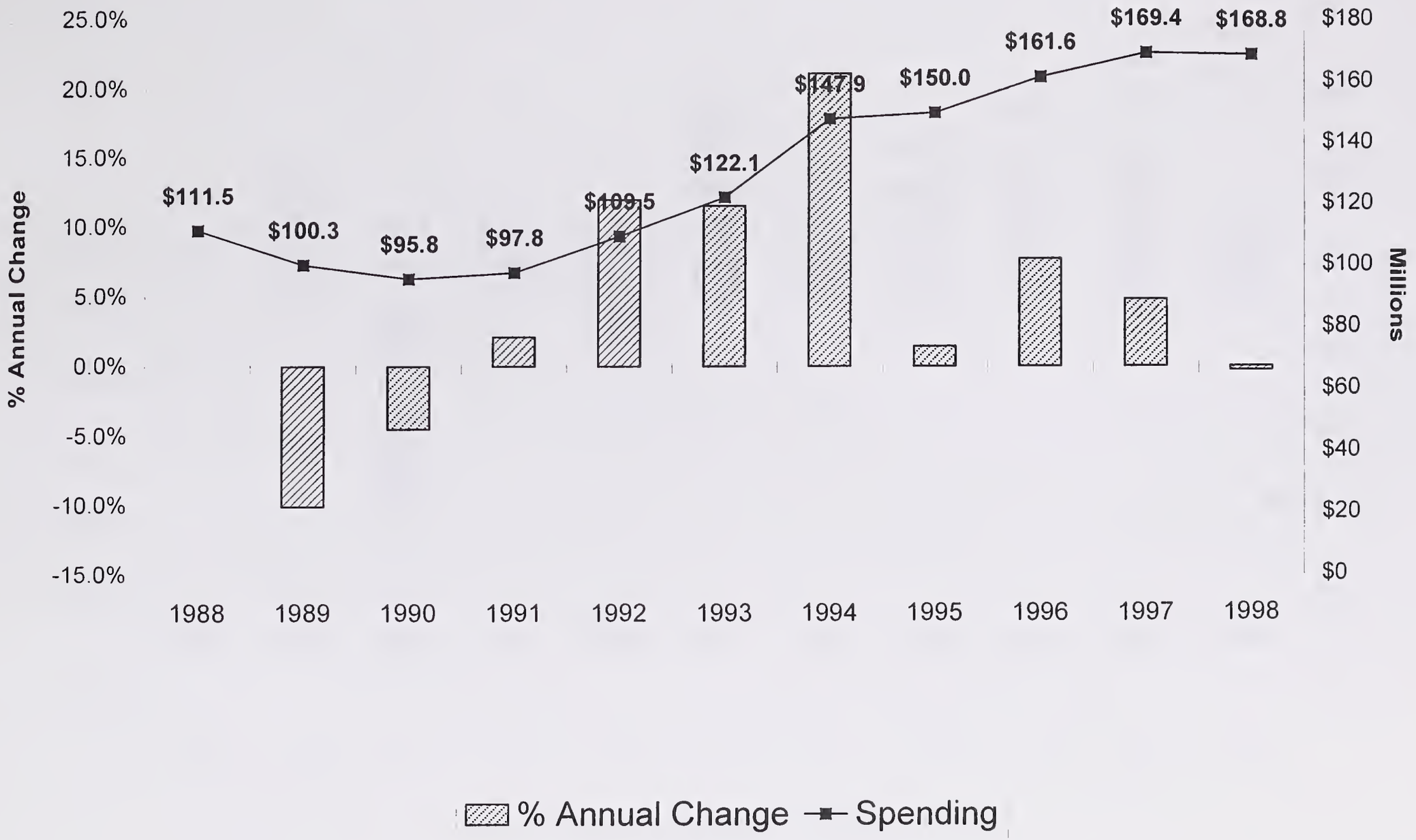
CORRECTIONS



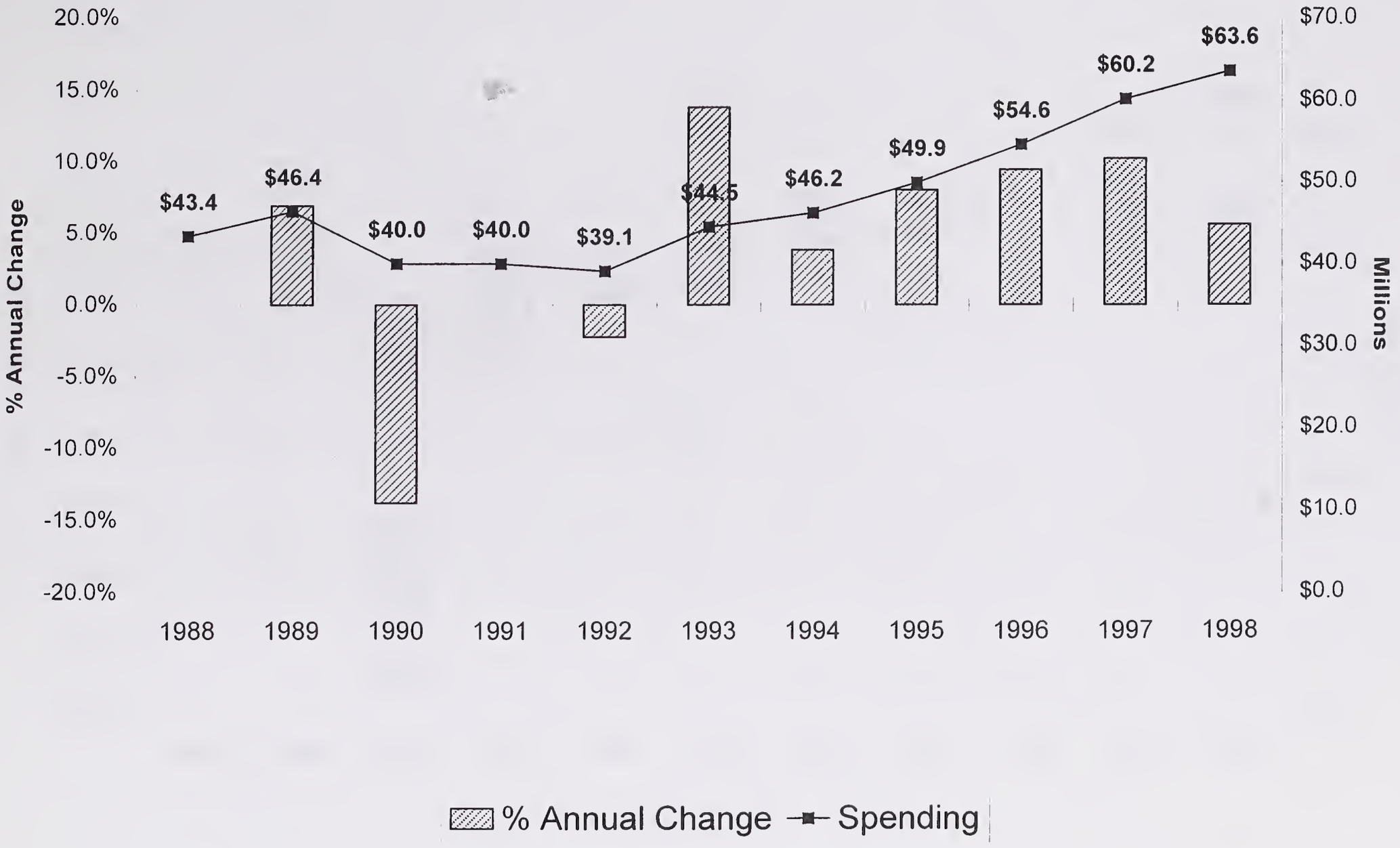
JUDICIARY

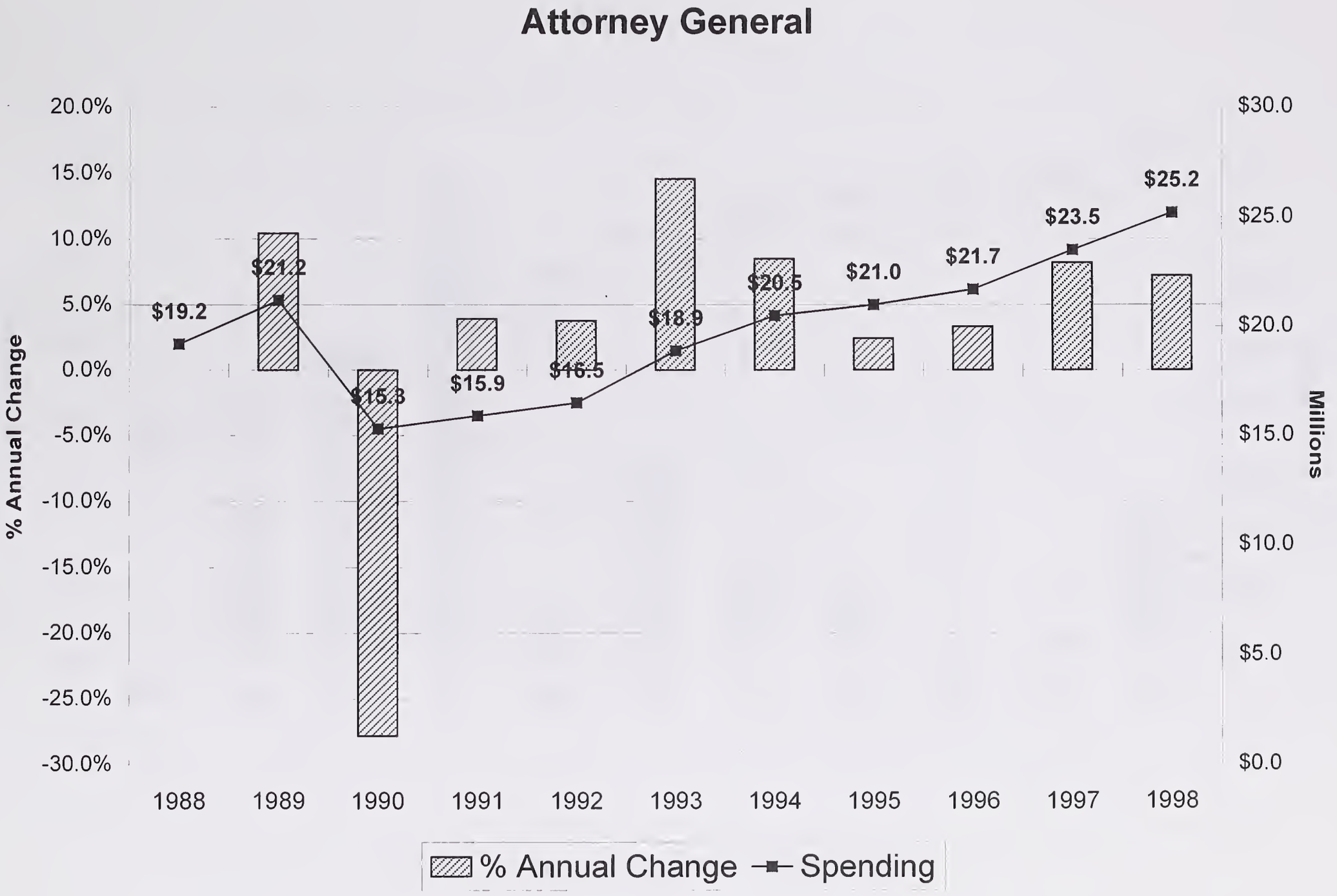

20%
15%
10%
5%
0%
-5%
-10%
% Annual Change
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
Millions
$288
$309
$309
$294
$306
$307
$343
$353
$407
$413
$475
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Change
Spending

STATE POLICE

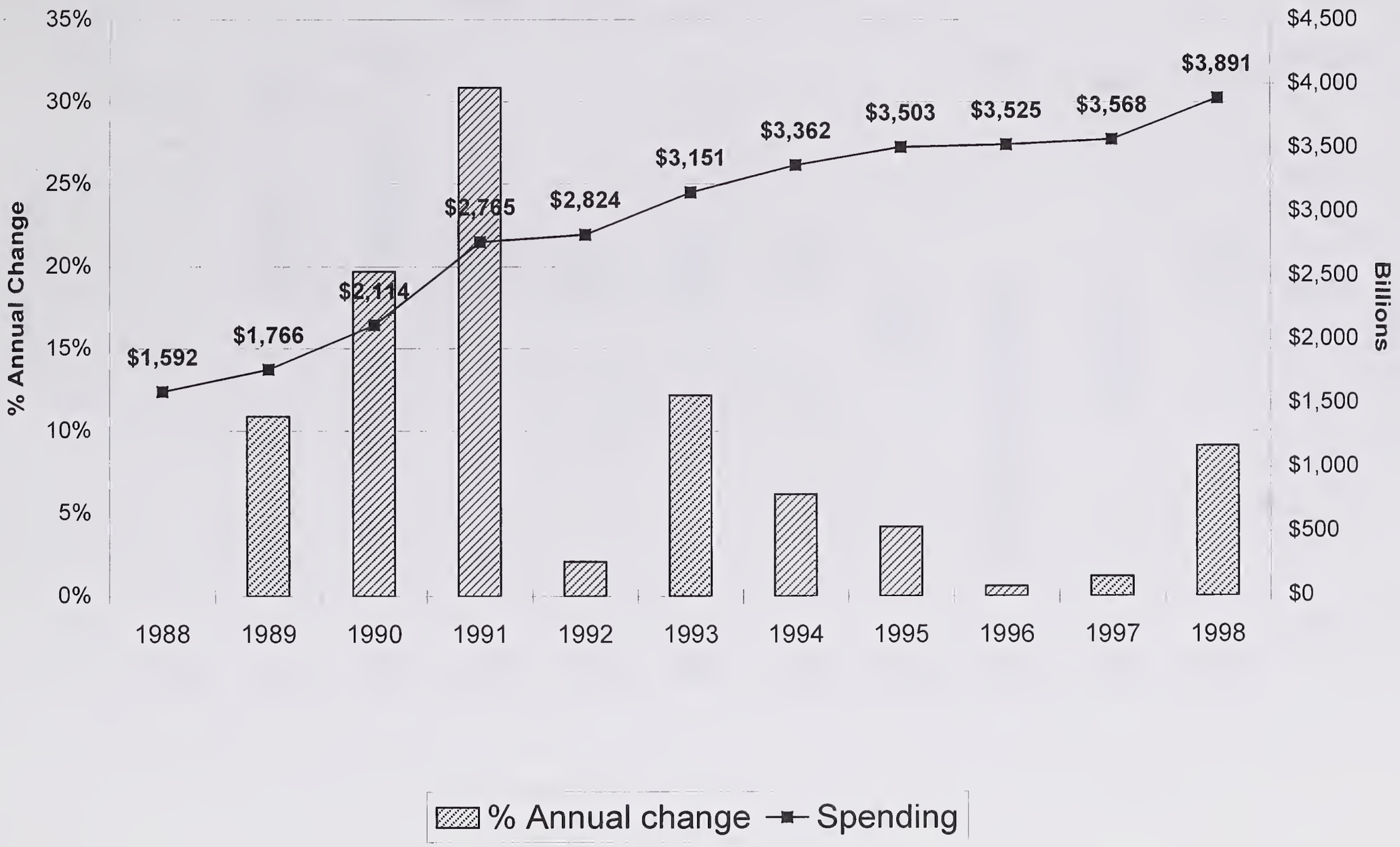


District Attorneys

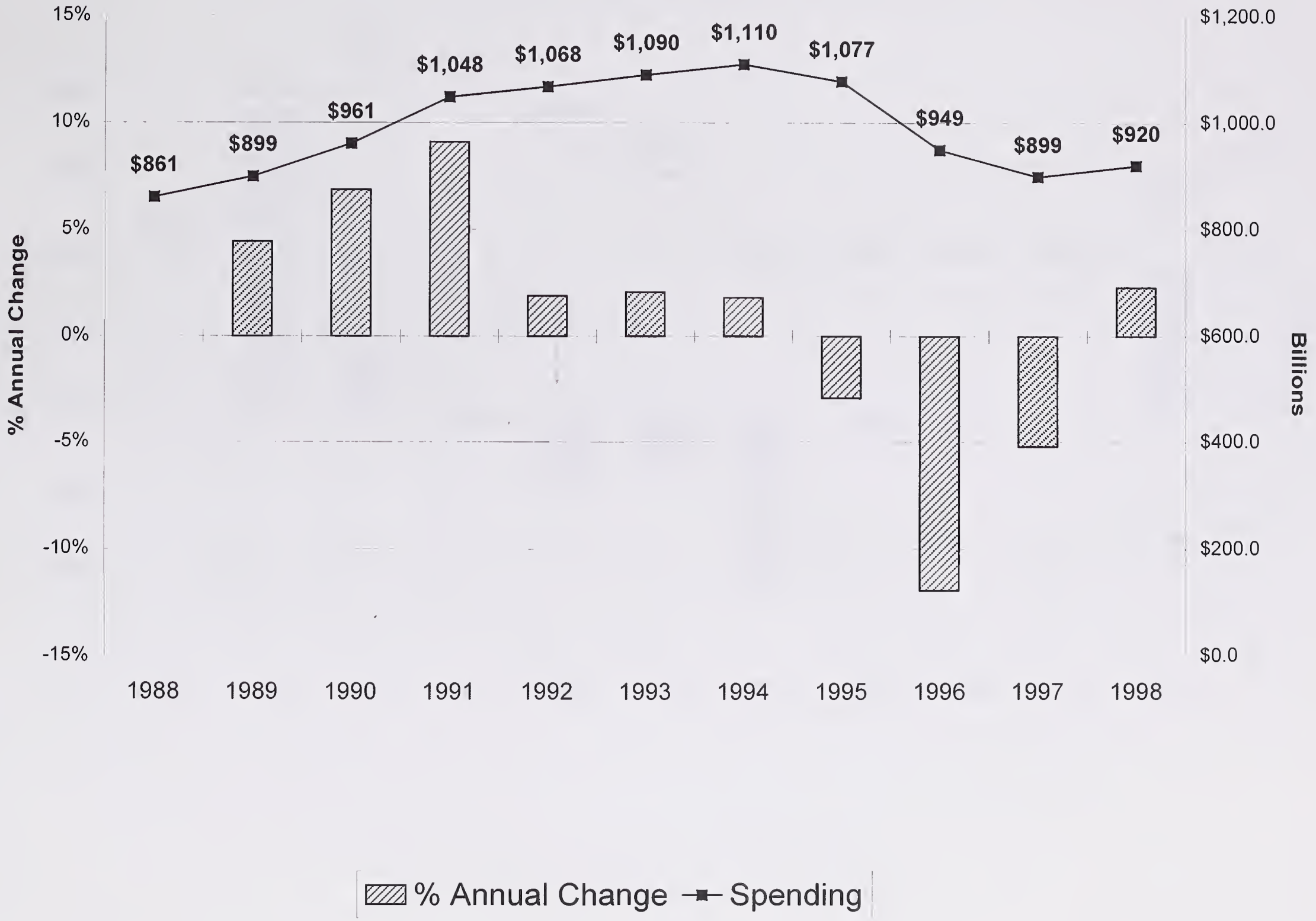



Attorney General
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
-20.0%
-25.0%
-30.0%
% Annual Change
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
Millions
$19.2
$21.2
$15.3
$15.9
$16.5
$18.9
$20.5
$21.0
$21.7
$23.5
$25.2
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual Change
Spending

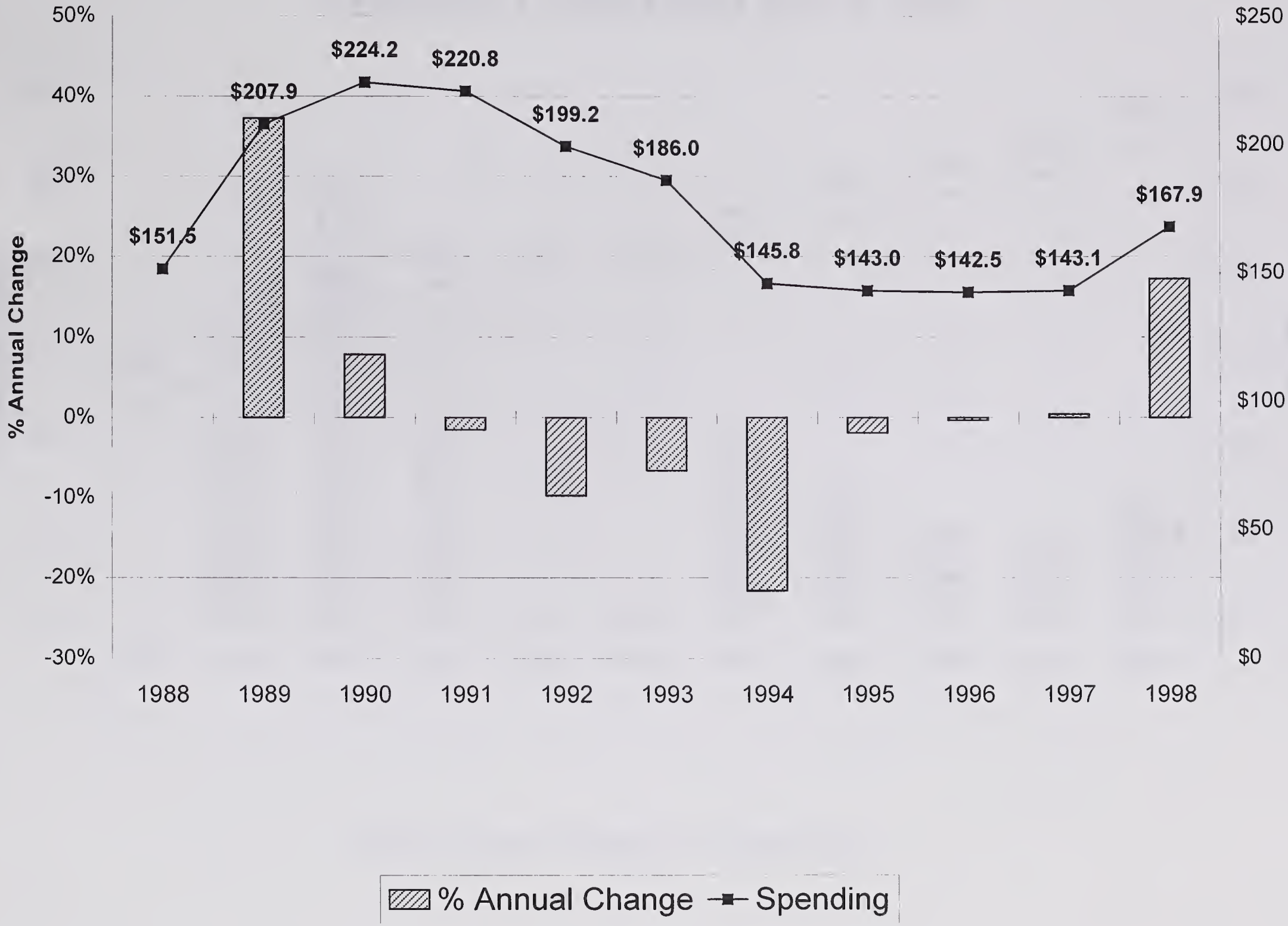
MEDICAID


35%
30%
25%
20%
15%
10%
5%
0%
% Annual Change
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
Billions
$1,592
$1,766
$2,114
$2,765
$2,824
$3,151
$3,362
$3,503
$3,525
$3,568
$3,891
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual change
Spending

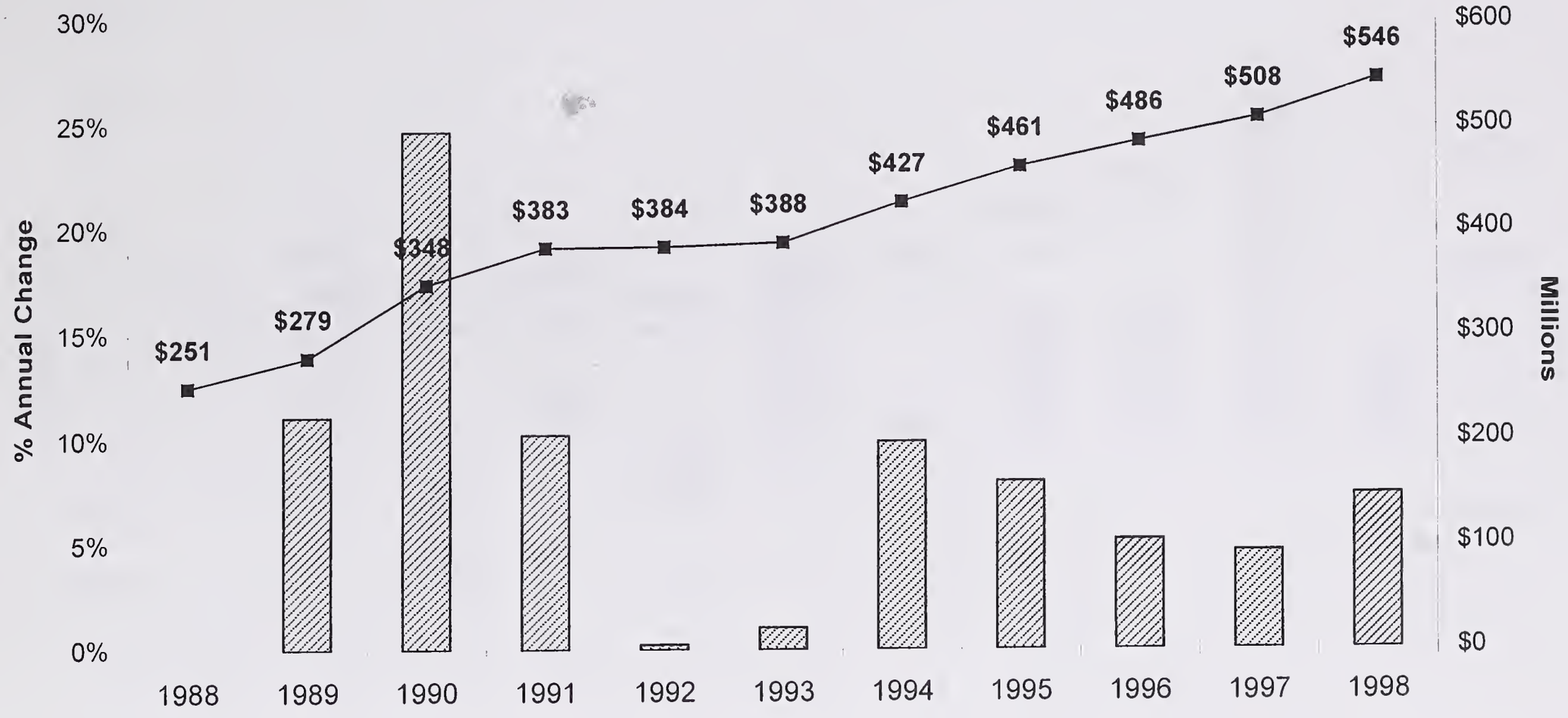
CASH ASSISTANCE (AFDC, SSI & AEDC)



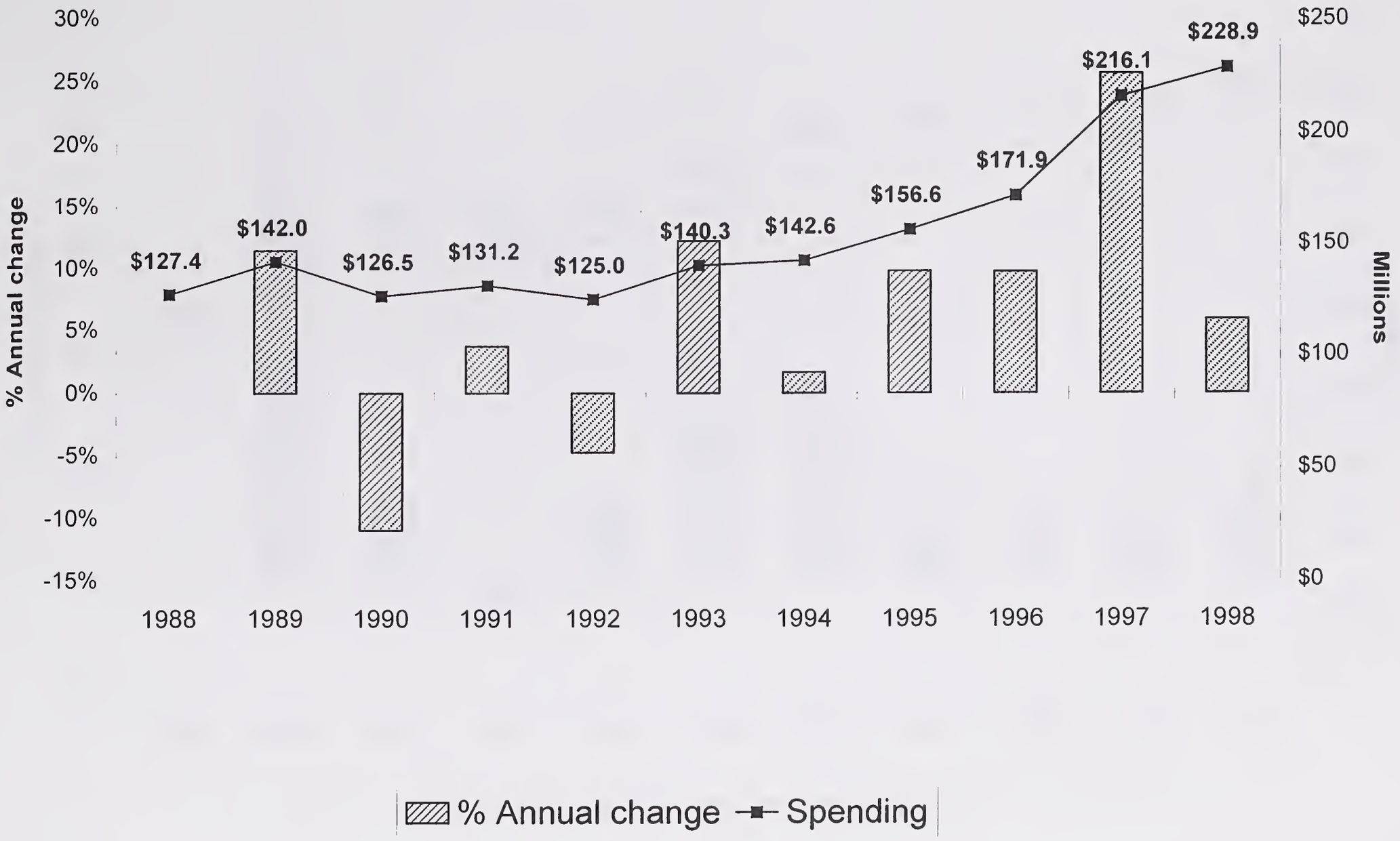
Housing Assistance (DHCD)



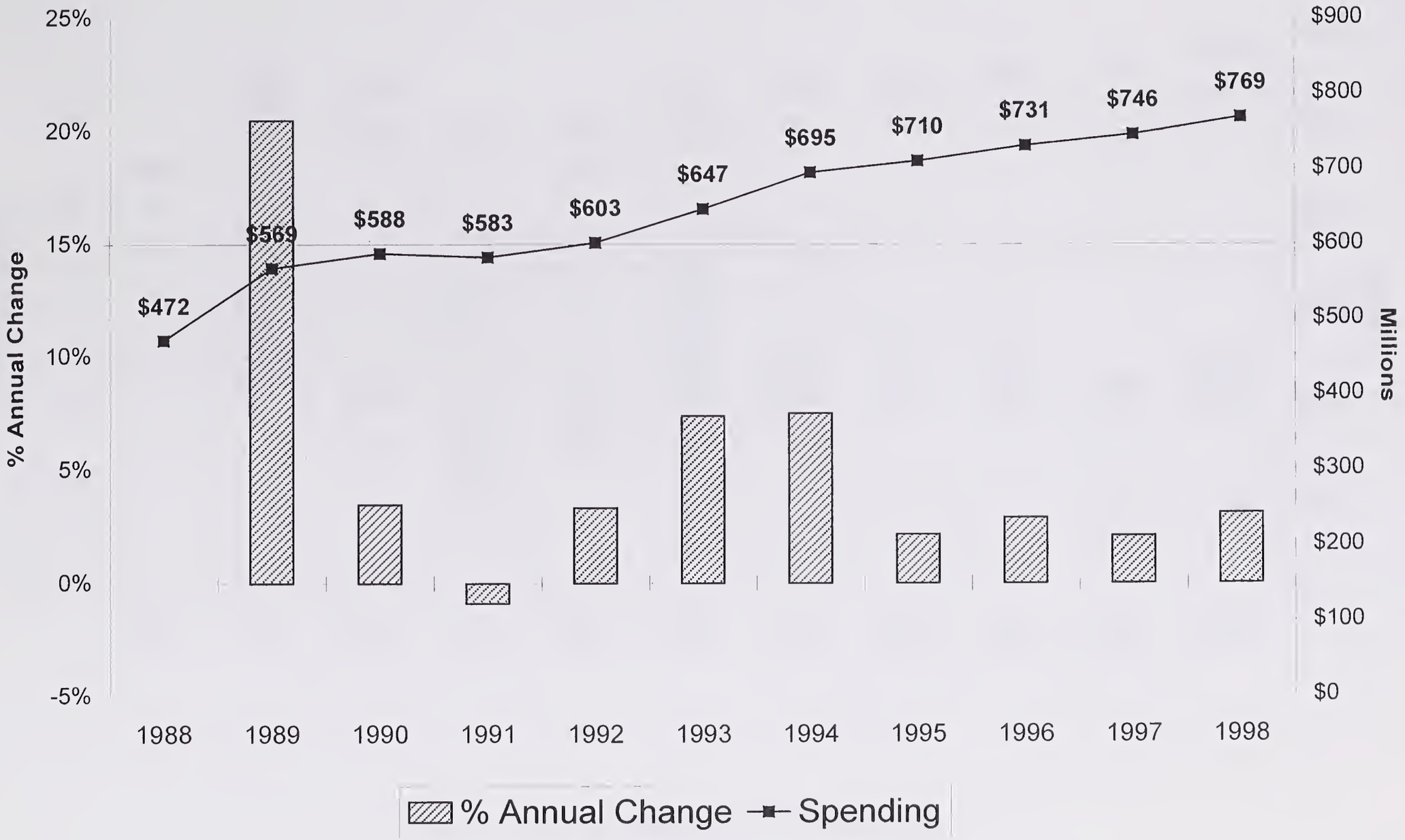
SERVICES to CHILDREN (DSS & DYS)



DAY CARE

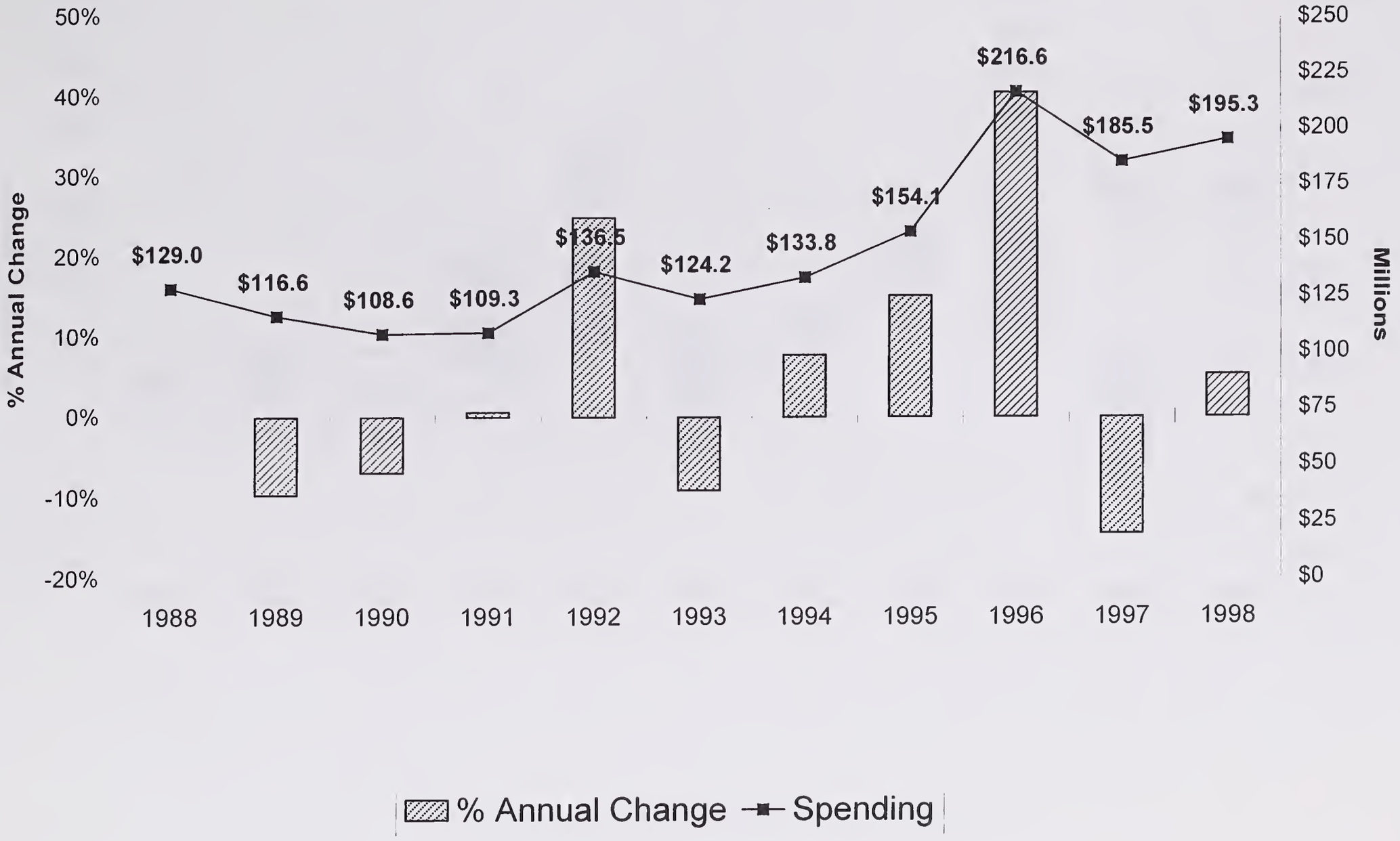

30%
25%
20%
15%
10%
5%
0%
-5%
-10%
-15%
% Annual change
$250
$200
$150
$100
$50
$0
Millions
$127.4
$142.0
$126.5
$131.2
$125.0
$140.3
$142.6
$156.6
$171.9
$216.1
$228.9
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual change
Spending

MENTAL RETARDATION

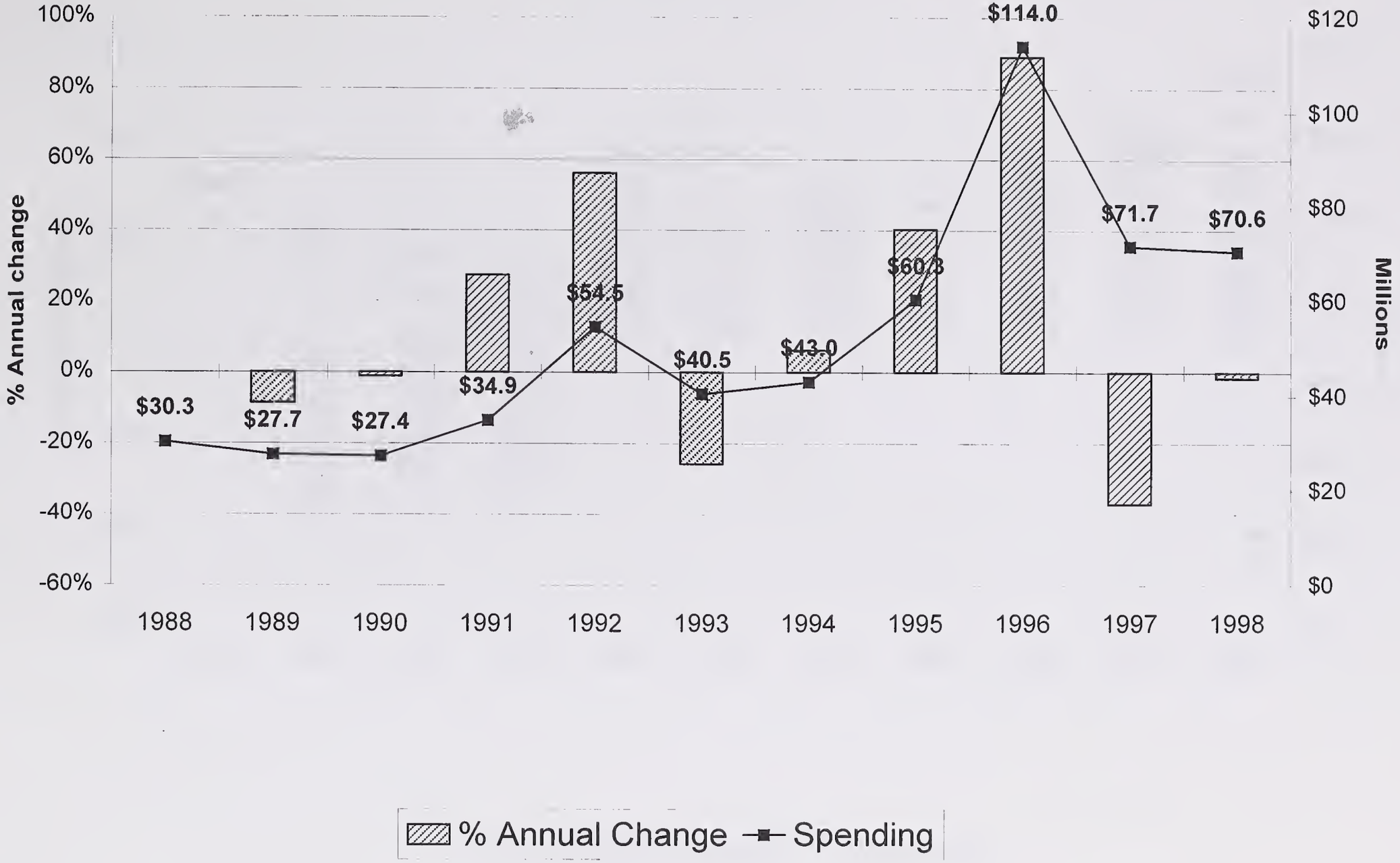


MENTAL HEALTH

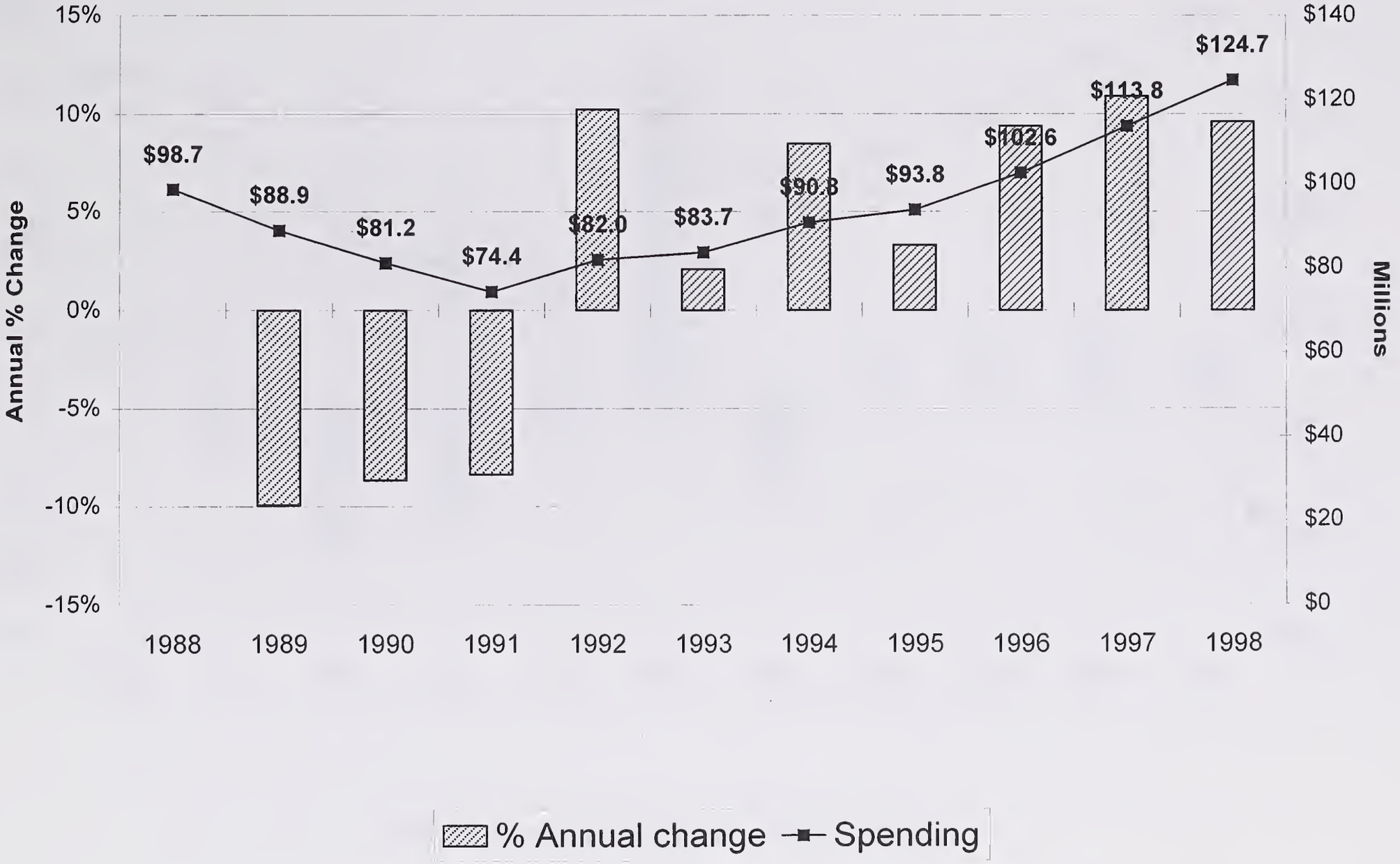
Environmental Affairs *(Envir. $ Total)*



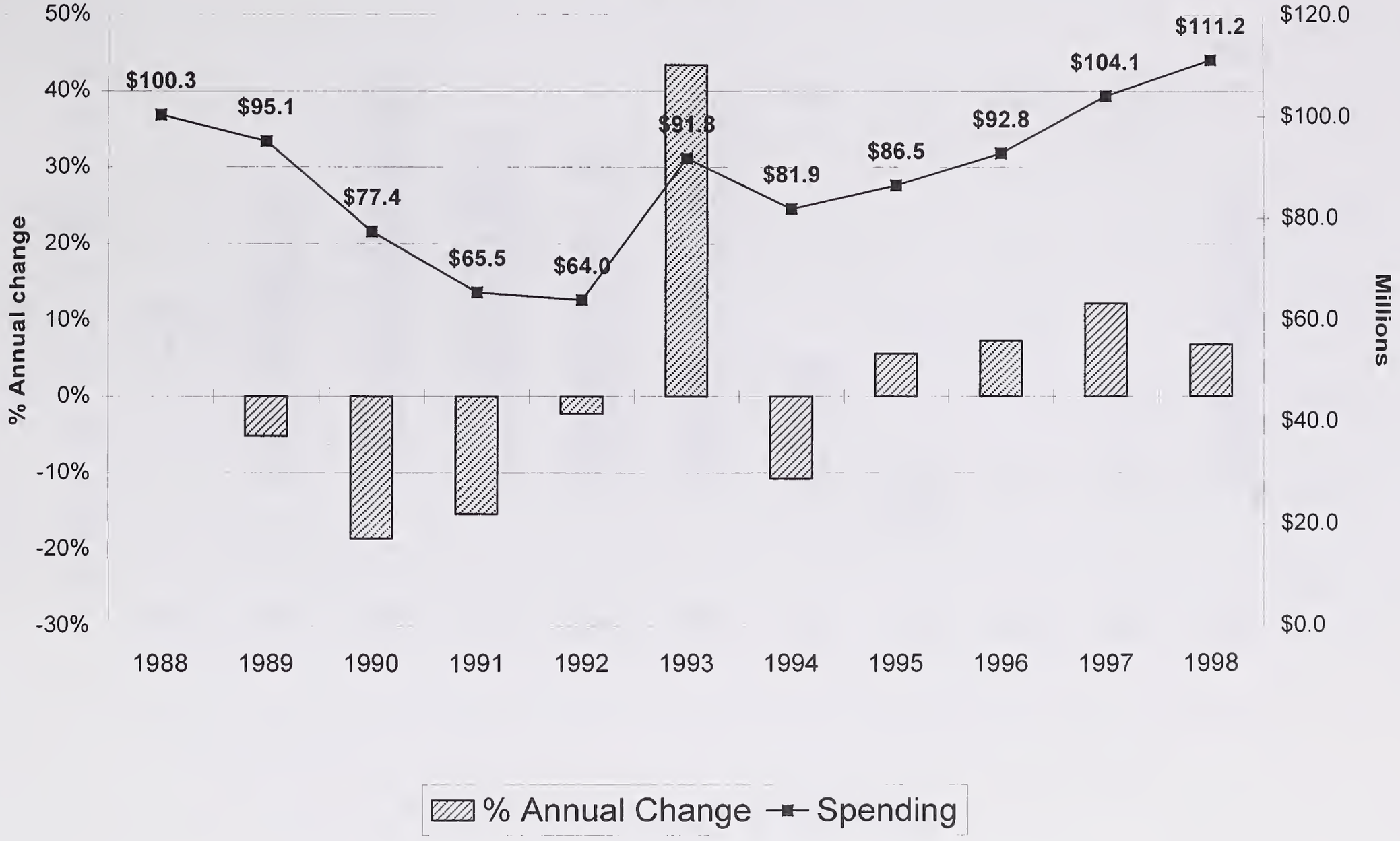
Environmental Protection*(DEP, EOEA, & Food & Agri)*



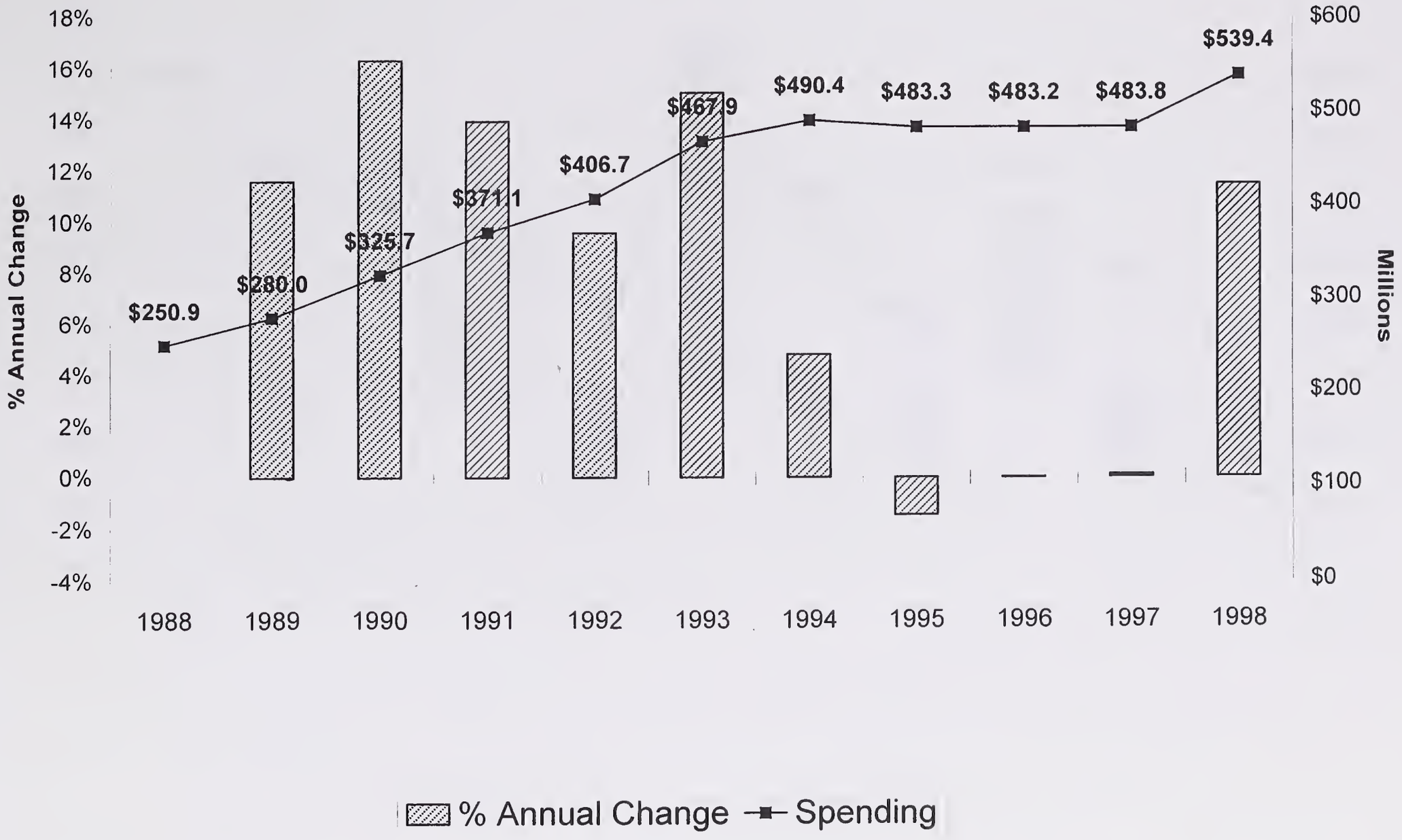
Conservation & Recreation (*DEM, MDC, DFW*)



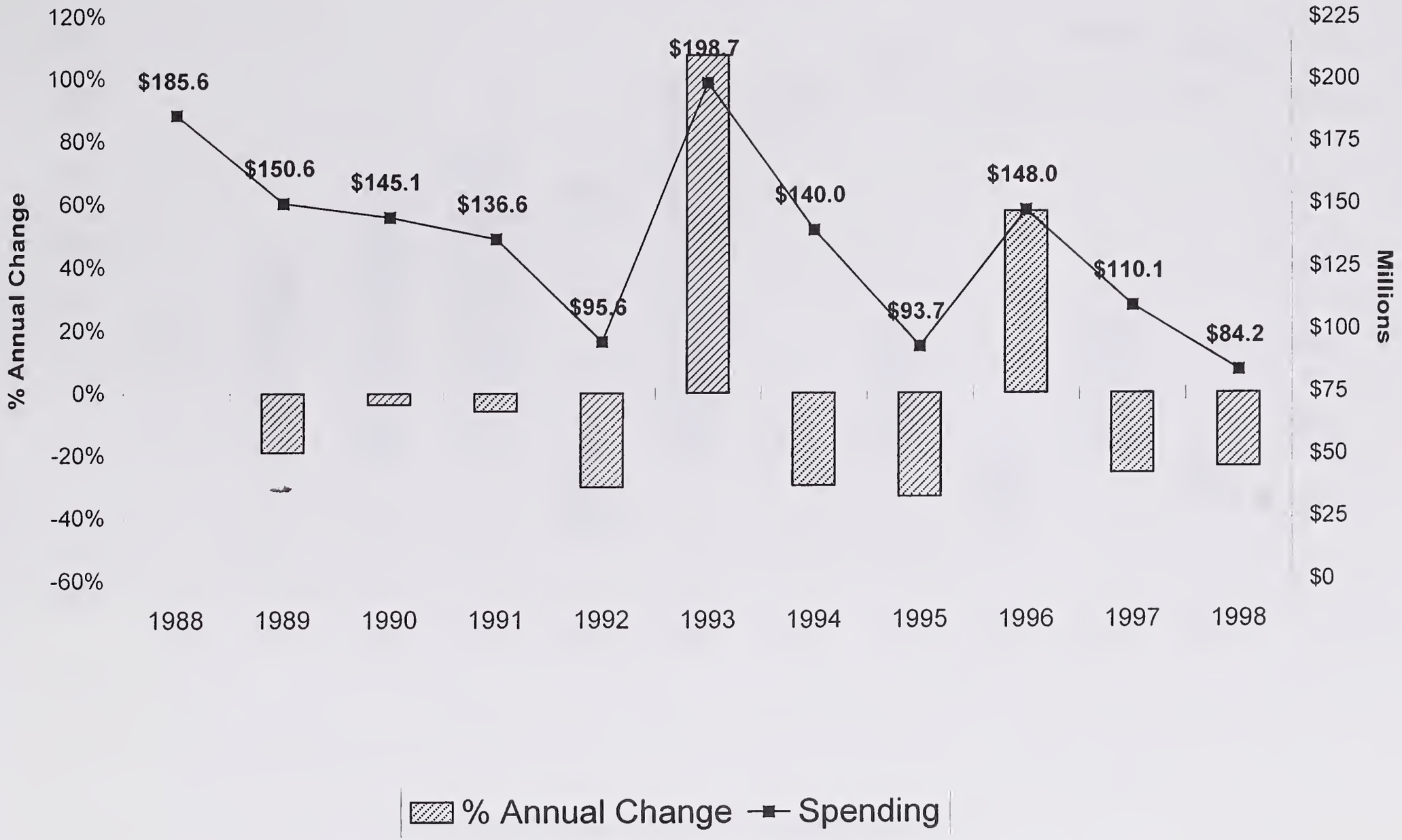
Business & Labor (Depts of Economic Dev., Labor & Cons. Affairs)



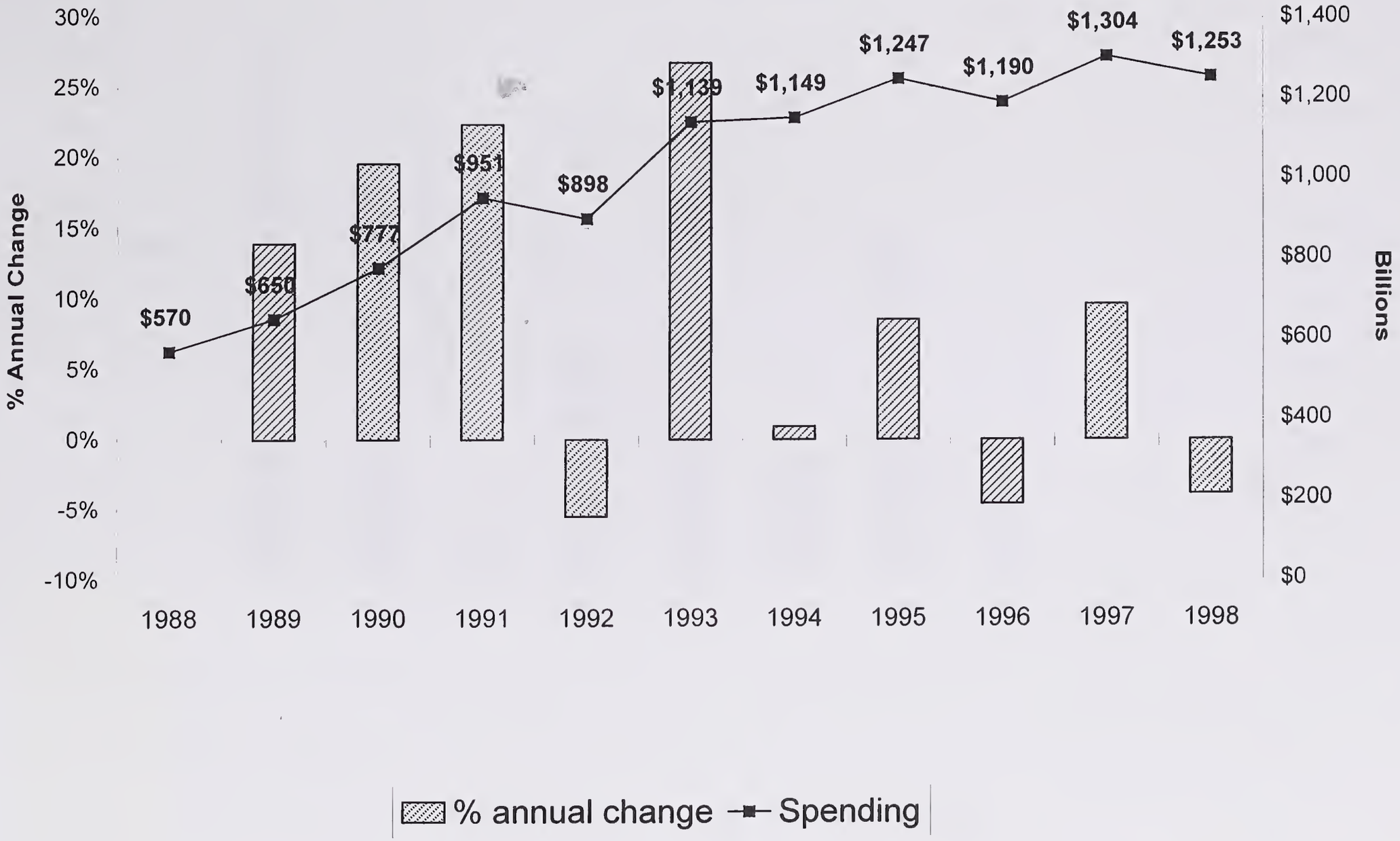
MBTA

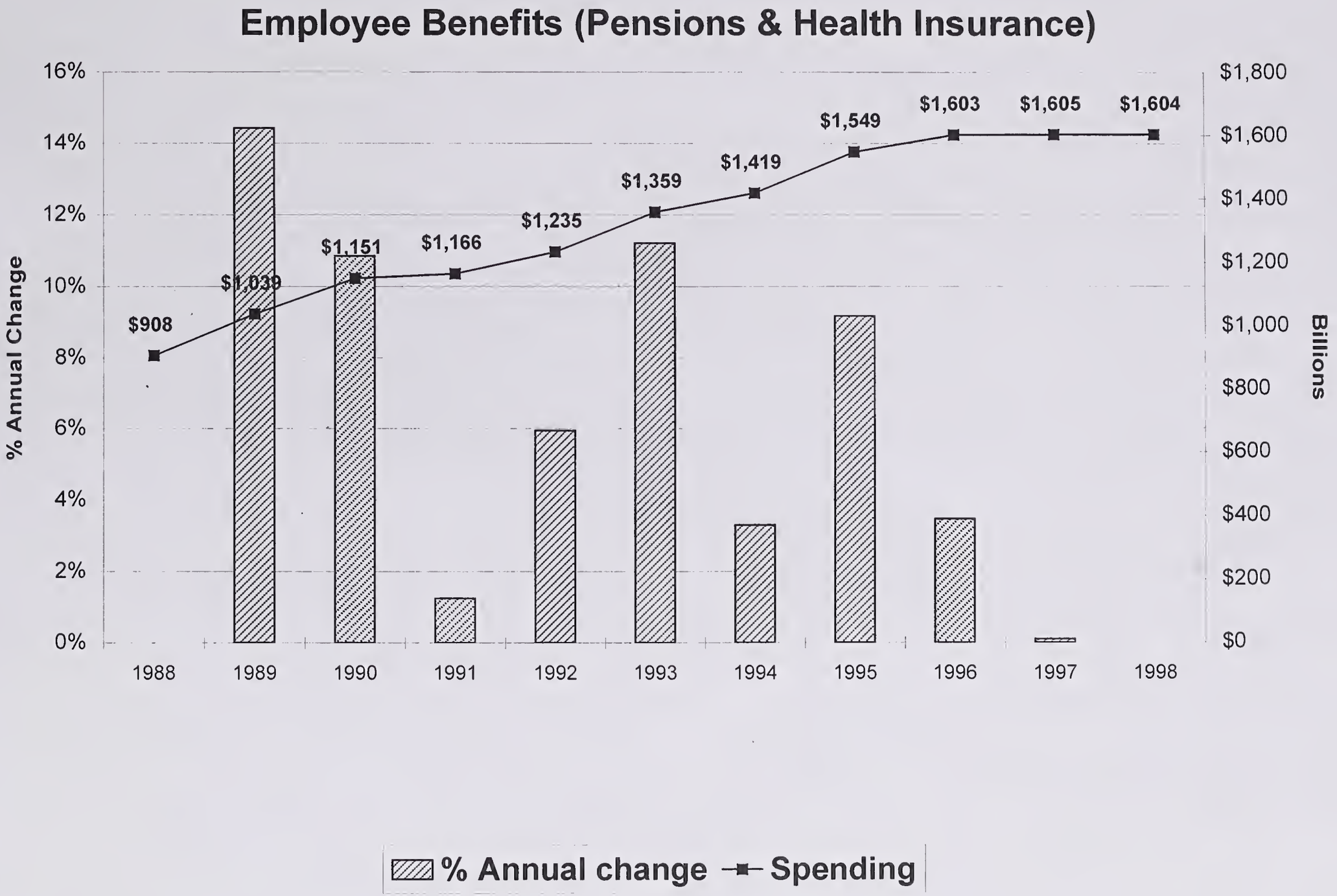

% Annual Change
Millions
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
-2%
-4%
$600
$500
$400
$300
$200
$100
$0
$250.9
$280.0
$325.7
$371.1
$406.7
$467.9
$490.4
$483.3
$483.2
$483.8
$539.4
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual Change
Spending

Mass Highway Dept.



Debt Service




Employee Benefits (Pensions & Health Insurance)
% Annual Change
Billions
16%
14%
12%
10%
8%
6%
4%
2%
0%
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
$908
$1,039
$1,151
$1,166
$1,235
$1,359
$1,419
$1,549
$1,603
$1,605
$1,604
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
% Annual change
Spending